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LATIN AMERICA TRADE REVIEW 1988

A U.S. Perspective

U.S. DEPARTMENT OF COMMERCE
International Trade Administration

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U.S. DEPARTMENT OF COMMERCE
International Trade Administration
Office of South America

June 1989

Note: The data presented in this review are not directly comparable to that presented in previous issues. The primary source for each country's global trade (excluding 1988) now is the International Monetary Fund; U.S. imports are now presented on a customs value basis, rather than on a c.i.f. basis.

UNITED STATES DEPARTMENT OF COMMERCE
International Trade Administration
Washington, D.C. 20230

LATIN AMERICA TRADE REVIEW 1988: A U.S. PERSPECTIVE

I am pleased to provide you with the International Trade Administration's latest review of trade with Latin America and the Caribbean. Two-way trade increased substantially last year, reinforcing the importance of the region to our national and economic interests. These interests are strong not only in trade, but also in investment and finance.

The region's economic prosperity is tied closely to a resolution of the debt issue. The Brady Plan is a recognition of the need to address this pressing question, and provide resources for investment necessary for the region's long term growth.

Over the coming months, there will be numerous elections held throughout the region. The results will have significant implications for our policy in the region, and for the U.S. business community. Enhancing our competitiveness will require renewed effort, not only on the part of federal and state officials, but also the private sector. Ultimately, our efforts to liberalize trade and investment rules in the region and to improve intellectual property protection will bear fruit only if the busuness community takes advantage of the opportunities created.

Latin America and the Caribbean represents nearly a $100 billion export market for us, with significant long-term potential. We cannot afford to ignore this area and should target it with renewed and creative vigor.

Richard L. Johnston
Acting Assistant Secretary
for International Economic Policy

June 1989

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Regional Overview

The Latin American Economy in 1988

Throughout the 1980s, Latin America continued to struggle in what has been termed its "lost decade." Real growth slowed sharply, inflation accelerated, and the region again was a net resource exporter to the industrialized countries. While the region's international debt was reduced in absolute terms in 1988, its size and scope continued to be a drag on economic growth and a major preoccupation of government authorities. External financial flows to most countries remained weak, and some governments compensated for this weakness by rapidly expanding the domestic money supply.

The outlook for 1989 is uncertain. Several countries will have new governments, hold elections, or prepare for them in 1990. Thus, potential policy changes will in large part be constrained by political considerations. Moreover, against the backdrop of the debt overhang and continuing net capital exports, economic policy-makers will also continue to find their options greatly constrained.

Latin America's gross domestic product grew only by about 1 percent in 1988 (estimates vary from 0.7 percent to 1.4 percent), well below the rate achieved in 1987 (2.5 percent). This resulted from sluggish aggregate growth in the four major economies--Argentina, Brazil, Mexico, and Venezuela. Of the four, only Venezuela recorded a solid increase, at 4.2 percent. This lackluster performance kept many countries at a per capita output level no higher than that achieved in the late 1970s. However, a decade later, policy options for many countries are much more limited. For example, the current overall reluctance of private lending institutions to provide substantial new financing will continue to act as a brake to new investment.

The sizeable jump in inflation last year eroded real purchasing power in the region. If investment and consumption are relatively stagnant, it will be left to the external sector (exports) and governments to spur growth. Governments throughout the region are struggling, however, to curb their fiscal deficits and thereby reduce inflation and structural inefficiencies.

Fortunately, the region's impressive export performance last year should continue in 1989. The countries' currencies largely move with the dollar, and thus Latin America is increasingly competitive in Asia and Europe. Export expansion, and by implication export diversification, will play a central role in the region's growth prospects this year.

Indeed while total regional exports expanded by about 13 percent last year, exports to the United States increased by only 10 percent. For South American countries, export market diversification was even greater; overall exports expanded by 20 percent, but those to the United States increased by only 7 percent. This export diversification, while a slow process, should in the long term assure steadier growth and lessened dependence upon the health of one major market.

Latin America's debt concerns are being addressed more actively this year. There is recognition in both the public and private sectors that debt reduction will be required. However, from an international trade perspective, the region's use of potential savings will be especially important in implementing its export expansion goals. While numerous social objectives will compete for the debt savings, it is important that the savings be channeled to those productive enterprises which assure long-term growth.

Latin America's Exports

Global exports from the region increased by about 13 percent in 1988. The growth was uneven, however.

Overall, South American exports increased by 20 percent (with gains of 30 percent or more by Argentina and Chile); Mexico and the Caribbean Basin countries essentially stayed level.

Increased commodity prices, apart from petroleum, helped the region export more than $100 billion for the first time since 1984. Yet traditional exports from the region are becoming less important in the 1980s as nontraditional, including manufactured, exports have increased substantially. For example, U.S. imports of manufactured goods from the region have nearly tripled since 1981, while manufactured imports from industrialized countries have increased at a more modest rate.

This suggests that while commodity prices remain quite important, several promising signs are on the horizon. This shift towards increased value added exports, diversification of markets, and expansion of the product base (e.g., Ecuadorian shellfish, Chilean fruit, and Venezuelan aluminum) all indicate an opportunity for assured growth. Policy-makers in the region should take the opportunity to ensure that the recent gains are translated into a coherent program for the next decade.

Latin America's Imports

The region's total imports increased last year by about 16 percent, nearly 50 percent moe than in 1987. However, this growth was skewed greatly. Mexico's imports increased by some 55 percent, while South America's increased by only 5 percent. Last year import growth occurred in only five South American countries. Brazil, South America's largest importer, reduced its imports by 2 percent.

This varied growth is not surprising in light of the region's overall economic performance. In fact, South American import growth would have been significantly lower had not some countries (notably Chile, Paraguay, and Venezuela) achieved double digit increases. These countries recorded among the highest GDP growth in the region. This underscores the importance to the international community of long-term growth in Latin America and the implications it has for international trade.

The slower import growth during this decade also is tied to debt service. The region's import level in nominal terms remains 23 percent below 1981 levels. While import demand has been weak, there will be significant increases in demand once sustainable growth is achieved. The region needs substantial infrastructure development, creating demand especially for new equipment, spare parts, and intermediate products. These goods will be especially critical if Latin America is to continue its export expansion efforts.

Latin America's Trade Balance

On the surface, the region's trade balance improved greatly last year. A $21 billion surplus was recorded, representing a 4 percent gain over 1987 when the surplus amounted to about $20 billion. Most countries improved their trade balance, although those of Mexico and Venezuela deteriorated -- Venezuela recorded a deficit for the first time in this decade. As a result of an ambitious export expansion program and curtailed imports, Brazil recorded a $19 billion surplus, a dramatic $8 billion improvement in one year. Brazil alone accounted for 90 percent of Latin America's surplus.

U.S. Trade with Latin America

U.S.-Latin American trade expanded by 16 percent last year, after a 12 percent growth in 1987. U.S. exports increased by 25 percent, while imports from the region grew by 9 percent. As a result, the U.S. bilateral trade deficit was reduced by over $4 billion, to $8.1 billion. Latin America accounted for about 7 percent of the global U.S. deficit, a 1 percentage point improvement over 1987.

U.S. export increases were recorded throughout the region, with declines registered only in Argentina and Peru. All major categories except mineral fuels (which declined) recorded double digit growth. Food and animal exports increased by 40 percent, while machinery and transportation equipment rose by 27 percent. As a result of this strong performance, the U.S. share of Latin America's import market improved from 48 percent in 1987 to 51 percent last year.

Our exports to Mexico increased by over 40 percent, largely the result of import liberalization and the resulting release of pent-up demand. The United States was particularly strong in those markets which achieved impressive growth -- Chile, Colombia, and Venezuela. This strength can be partly attributed to a more competitive dollar vis a vis major European and Asian competitors and to the region's traditional preference for U.S. products when competitive.

U.S. imports from the region also grew, but at a slightly lower rate than in 1987. This slower growth is attributable to a decline in imports of agricultural and mineral fuel products -- down 8 percent. The other eight major categories increased by nearly 25 percent. Argentina, Brazil, Chile, and Mexico recorded the largest gains, although among these, only Mexico's rate of increase exceeded its global increase in exports.

U.S. trade with Latin America is highly concentrated among four countries in the region: Brazil, Colombia, Mexico, and Venezuela. These four countries accounted for nearly three-quarters of U.S. exports to the region, and slightly over that on the import side. With the exception of Colombia, the smallest of the four, these countries face severe debt constraints. A new austerity program in Venezuela will have a very direct, and immediate, effect on U.S. export prospects in 1989. Brazil faces an uncertain year, and Mexico's once sizeable trade surplus has diminished considerably. These factors suggest that in 1989, it is unlikely that U.S. exports to the region will sustain the strong levels achieved in 1988.

In view of the above, there should be a rapid convergence of interests to bring Latin America back to more robust growth. It has been estimated that the debt crisis has cost the United States as much as $75 billion in lost exports over the past decade. Given the United States' interest in reducing its global trade deficit, the United States cannot assume that the Latin American market will be as receptive in 1989, without addressing the questions of how to sustain the market, and ensure its long-term viability.

Argentina

Total Trade Trends

Argentina's trade performance improved significantly during 1988, with the trade surplus reaching $3.6 billion compared to $1 billion in 1987. The gains were due to export expansion, as imports were relatively stable. Exports in 1988 increased an impressive 33 percent to $8.5 billion while imports were down 8 percent to $4.9 billion.

The export advance was led by agricultural products, which benefited from sharply higher world prices and increased domestic production. The mid-1988 drought in the United States helped raise prices for Argentina's major exports- -grains and oilseeds. Agricultural commodities and agro-industrial products account for nearly three-quarters of Argentina's exports.

Exports of manufactures also performed exceptionally well, up 37 percent to $2.3 billion. Among those sectors showing the largest increases were plastics, rubber products, metals and metal goods, and chemicals. The major factors contributing to the growth of manufactured exports were the downturn in domestic demand, assorted export promotion programs, and a favorable exchange rate for exports through the first two-thirds of the year.

The slight decline in imports in 1988 was largely due to the sluggish economy; preliminary estimates indicate that real GDP hardly changed, with growth in the zero to 1 percent range. During the period of August-October 1988, the Argentine Government took several import liberalization steps, partly in response to a World Bank trade adjustment program. These measures included: 1) significant reduction in the "prior consultation" import list, by cutting the number of restricted products to about a third of the previous level; 2) simplification of the tariff system and lowering the average tariff rate from 38 to 29 percent; and 3) elimination of the 180-day minimum payment period for imports. Although the immediate trade impact of these measures was small, the full effects should be evident in 1989.

The trade surplus for 1989 should improve to about $4 billion. Original high export projections have to be moderated as a result of early year drought, exchange rate instability, and economic disruption. Continued strong international prices for agricultural commodities should still push Argentine exports to about $9 billion for 1989, a 6 percent increase over 1988. Imports should remain at about $5 billion or could fall if the current economic situation is not stabilized.

U.S. Exports to Argentina

U.S. exports to Argentina in 1988 followed very closely Argentina's overall import pattern, with U.S. sales down 3 percent to under $1.1 billion. The United States maintained its market share of about 18 percent of total Argentine imports. U.S. exports by specific product categories were notably steady between 1987 and 1988 levels, with no significant changes among most major products. The largest U.S. export sectors continued to grow--computers and computer parts were up 18 percent to $122 million and organic chemicals up 12 percent to $91 million. Other leading sectors that continued to perform well were aircraft parts, agricultural chemicals, and instrumentation. Major items that declined slightly include synthetic resins, motor vehicle parts, coal, and pharmaceuticals.

U.S. Imports from Argentina

U.S. imports from Argentina grew impressively during 1988, up 33 percent to over $1.4 billion. Several

product areas accounted for the bulk of the increase, but smaller absolute gains were made in a variety of categories, particularly within manufactured goods. The big increases came from steel (the three major steel categories grew from $114 million in 1987 to $205 million in 1988), aluminum (doubling to $64 million), leather (up $24 million to $209 million), and vegetable oil (up from $9 million in 1987 to $74 million in 1988). Smaller absolute, but sizeable percentage gains were made in a number of nontraditional exports, including paper, textiles, synthetic resins, and inorganic chemicals. The growth in U.S. imports of manufactured products from Argentina reflected increased Argentine export promotion benefits and the slow local demand.

Trade Balance

The United States ran a trade deficit with Argentina in 1988 of $383 million, compared to a slight surplus of $9 million in 1987. This reversal was due to the significant expansion in U.S. imports from Argentina, as U.S. exports remained relatively stable. The outlook for 1989 is for a similar deficit of about $400 million, with U.S. exports of $1.1 billion and U.S. imports of $1.5 billion.

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Bolivia

Total Trade Trends

Bolivia registered an impressive decrease in its trade deficit, from $197 million in 1987 to $56 million in 1988. Exports rose approximately 4 percent to $593 million, the first export increase recorded since 1981. Despite a decrease in import tariff rates, imports declined to $649 million from $766 million in 1987. Bolivia's improved trade position indicates the Reactivation Decree of July 1987 may be yielding some positive results. The Reactivation Decree aims to promote economic growth by offering export incentives and by strengthening the financial sector.

Bolivian exports rose in 1988, largely due to the continued recovery of the mining sector. This sector accounted for the largest portion of Bolivia's 1988 exports, 45 percent, replacing hydrocarbons as the primary export for the first time since 1985. The mining industry's exports rose 12 percent in 1987 and by 35 percent last year. Such an increase was anticipated since operations resumed in some of the first mines reopened since the market collapsed. Also, for the first time in years, several mines have earned profits. The government seeks to strengthen this sector and has obtained domestic and international financing for it. For example, the Bolivian Central Bank obtained $22 million of World Bank credit for the mining industry. This availability of credit should further facilitate the recovery process.

Although hydrocarbons were the second most important export, accounting for 37 percent of the total, they contracted substantially to $217.6 million. This decrease in revenues was aggravated by arrears in Argentina's natural gas payments. The arrears had serious ramifications on the Bolivian economy since natural gas shipments to Argentina account for all hydrocarbon exports or 37 percent of Bolivia's export earnings.

The government recently implemented a tax credit program to help boost Bolivia's sagging exports. Under this program, exporters receive compensation for 10 percent of the customs duties they pay. Compensation is in the form of CRA's, tax recovery certificates, which are denominated in bolivianos and carry a value maintenance provision. CRA's may serve as payment of taxes or any fees charged by the Customs Bureau. Although this program was called for in the 1987 Reactivation Decree, it was not implemented until January 1989 due to financial difficulties. Bolivian authorities hope the tax recovery program will offer the incentives necessary to increase local production for export. However, the effect will be much reduced unless producers are given increased access to credit markets.

The Bolivian Government has successfully stabilized the local currency. The boliviano devalued 12 percent in 1988, following a 10 percent devaluation in 1987. The government has attempted to keep the currency at a level just ahead of inflation. While this policy has stabilized the exchange rate and thus helped contain inflation, it has made it difficult for domestic producers to export to neighboring countries since these countries often have parallel exchange rates which act as export subsidies. The agriculture sector, which registered a slight decrease in production in 1988 and probably will again in 1989, has been particularly damaged by this imbalance. Nevertheless, the government will probably continue with this policy and the boliviano will drop gently again in 1989.

In the spring of 1988, the Bolivian Government modified its import tariff structure yet again. The import duty on capital goods was reduced from 20 to 10 percent. Noncapital goods temporarily remained at the 20 percent rate, which was slated to decrease 1 percent per quarter until reaching 10 percent. It was expected that imports would increase under this new tariff schedule, but they declined 15 percent in 1988. This decline is attributed to weak domestic demand caused by tight credit policies and declining purchasing power. Unless existing credit policies are relaxed, imports will register little growth in 1989.

The Bolivian Government continues to adjust its import tariff regime as conditions require. In January 1989

the noncapital goods duty was frozen at 17 percent. This was due to the unpaid Argentine gas bill and the recent trade deficits which have depleted Bolivia's foreign exchange reserves. Also a recent proposal would establish three different tariff rates for capital goods, finished goods, and raw materials, with the latter allowed free entry. There is substantial support for this three-tiered tariff structure, which would encourage local production and export diversification.

Overall, proponents of the Reactivation Decree can claim this decree has been moderately successful as gross domestic product (GDP) climbed 2.5 percent from 1987's $4,350 million. Last year marks the second consecutive year that GDP has risen. However, this rate was insufficient to keep pace with the population growth. Thus, per capita GDP declined for the eighth consecutive year. Factors preventing a more significant increase include insufficient export growth, lack of investment, and weak private consumption caused by declining purchasing power. Furthermore, the informal economy continues to draw vital resources away from the formal economy.

In 1989, Bolivia's economy should grow at a slightly higher rate than that registered in 1988. A new investment law, now in the final drafting stage, likely will send more positive signals to foreign investors. Exports should continue to grow, albeit slowly, with the mining sector probably leading the way. Imports should register a minor increase yet the deciding factor will be Bolivia's foreign exchange reserves. A further decrease in these reserves could necessitate import restrictions.

U.S. Exports to Bolivia

In 1988, U.S. exports increased to $146.6 million, a 5 percent increase over the $139 million registered in 1987. The U.S. market share of total Bolivian imports rose from 18 percent in 1987 to 23 percent in 1988. Major export increases were animal and vegetable products (73 percent) and chemicals (30 percent). Machinery and transportation equipment rose a slight 3 percent but remains the biggest export earner with $64 million. Specific products in these categories which recorded the highest gains include cereal preparations, wheat flour, refined petroleum products, trucks, and internal combustion engines.

U.S. Imports from Bolivia

U.S. imports from Bolivia rose to $117 million in 1988, a 6 percent increase from the 1987 level of $111 million. These imports accounted for 20 percent of Bolivia's total exports. Four items recorded remarkable increases: tin and tin alloys (165 percent to $28.8 million), wood (173 percent to $9.4 million), sugar and syrups (116 percent to approximately $5 million), and coffee (177 percent to $4.1 million). Base metal ores and concentrates increased 45 percent to $8.3 million.

Trade Balance

The U.S. trade surplus with Bolivia increased slightly from $28 million to almost $30 million. If the Bolivian Government contains inflation and at least partially remedies the Argentine debt issue, imports should increase in 1989 and improve U.S. export opportunities.

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Brazil

Total Trade Trends

Brazil's global trade performance for 1988 was impressive. With exports of $33.8 billion and imports of $14.7 billion, Brazil registered a record $19.1 billion trade surplus--a dramatic 70 percent increase over 1987's surplus of $11.2 billion.

Booming exports accounted for most of the surplus. Poor economic performance (e.g., stalled industrial growth, disinvestment, and high inflation) and slack domestic demand prompted internationally competitive sectors to divert production to exports. Brazil devalued its currency sufficiently during 1988 to keep export prices competitive, despite annual inflation in excess of 900 percent. The government's policy of regular mini-devaluations was crucial in maintaining Brazil's export competitiveness. Buoyant foreign demand and high international steel and commodity prices contributed to Brazil's unparalleled export earnings, which in turn helped shield the economy from the full impact of domestic stagflation.

Brazil's 1988 exports grew by almost 30 percent. Exports of semimanufactured products (primarily metals) more than doubled, propelled by high world prices. Manufactures accounted for nearly 60 percent of exports, while traditional agricultural and mineral exports were just over one quarter. Steel products achieved the highest export value--$4 billion--with an increase of 105 percent over 1987. The success of Brazilian steel can be attributed to increased demand, high world prices, and the competitiveness of Brazil's steel sector. Aluminum exports increased almost 85 percent in 1988, as Brazil expanded production capacity, becoming a major world supplier. Opening a new tin mine in northern Brazil boosted tin exports by over 60 percent. Exports of orange juice and soybeans/soybean byproducts grew by almost 40 percent, buoyed by high international prices. Soybean exports were also aided by an excellent harvest. Pulp and paper, chemicals, textiles, and footwear exports also performed well in 1988. Pulp and paper exports were spurred by increased investment and attractive international prices. Textiles and footwear exports rose as low domestic demand diverted production from the home market.

Brazil's Central Bank estimates exports in 1989 will remain at the 1988 level of $34 billion. The Sarney administration plans to reduce export incentives and subsidies and increase export taxes on high performance sectors. However, high global prices for Brazil's agricultural commodity exports and Brazil's continuing diversion of production to export markets suggest at least marginal growth during 1989 -- perhaps to $35.5 billion.

Poor economic performance, slack domestic demand, and political and economic uncertainty contributed to flat imports in 1988. Import liberalization plans announced during 1988 did little to reduce tight Brazilian Government control. Total imports declined a slight 2.6 percent to $14.7 billion. Petroleum imports fell 17 percent--attributable to the drop in world oil prices, Brazil's increased oil production, and use of alternative fuels. Wheat purchases fell sharply, by 61 percent in 1988, partly the result of increased domestic production. Imports of parts and components used in Brazilian manufactured exports registered substantial gains.

Brazil's Central Bank estimates that imports will increase by $2.6 billion during 1989. Recognizing that increased imports may dampen inflation, authorities seem prepared to accept a reduced trade surplus. The Brazilian Government has expressed its interest in increasing imports of manufacturing inputs and capital goods designed to modernize industry. Imports may also be pushed up by greater availability of trade credits resulting from accords reached with the International Monetary Fund and other creditors. However, if these agreements are not successfully finalized, or Brazil again develops arrearages with its commercial creditors, trade financing may become scarce.

U.S. Exports to Brazil

In 1988, the United States increased exports to Brazil by 6.3 percent--to $4.2 billion--maintaining its role as Brazil's primary foreign supplier. Commercial aircraft, telecommunications equipment, organic chemicals, and coal were leading export products, accounting for nearly 40 percent of U.S. sales to Brazil. Though coal is still among the top five exports, levels have declined as Brazil makes a conscious effort to diversify sources. U.S. exports of electronic components, computers and peripherals, automobile parts and internal combustion engines all registered sizeable growth, as Brazilian imports were concentrated among inputs for export manufacturing. U.S. exports of electronic components rebounded in 1988, up from depressed levels in 1987, as Brazil's electronic industry recovered.

U.S. Imports from Brazil

U.S. imports from Brazil surged by almost 19 percent to $9.3 billion in 1988, the highest level reached this decade. The United States is Brazil's major trading partner, absorbing 28 percent of Brazil's exports. Footwear, petroleum products, orange juice, and coffee were leading imports, accounting for almost one third of U.S. imports from Brazil. Imports of pig iron, ferroalloys, and semifinished steel increased by an average of 90 percent, due to reduced supplies in the United States, resulting from rationalization and restructuring of the U.S. steel industry, strong U.S. demand, and increased world demand and prices.

Sizeable growth was also registered in passenger motor vehicles, combustion piston engines and parts, pulp and waste paper, small aircraft, and organic chemicals. While imports of motor vehicles were up, automobiles lagged behind expectations as they were not competitive with other low-price imports. On the other hand, truck imports rose.

Trade Balance

The U.S. trade deficit with Brazil increased by almost one third in 1988, exceeding $5 billion. Surging U.S. imports are primarily responsible for the widening U.S. trade deficit. During 1989, the U.S. trade deficit with Brazil may widen slightly. Though Brazil plans to liberalize imports and to check anticipated export increases through reduced subsidies and incentive programs, a nominal increase in the U.S. trade deficit will likely result.

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Caribbean Basin

Total Trade Trends

The Caribbean Basin Initiative (CBI), which went into effect January 1, 1984, provides for duty-free access to the U.S. market for most goods produced in designated countries. Through the first five years of the program, results were disappointing. Due to international market factors, the value and volume of some of the region's key exports such as petroleum and bauxite declined. Import earnings from sugar, subject to U.S. quotas, also decreased.

Economic performance among the 22 beneficiary countries showed modest gains in 1988. The region achieved an average growth rate of 2.3 - 3.5 percent in 1988, despite a continued decline in some of its key traditional exports. Growth at these levels is expected to continue in 1989.

Caribbean Basin trade with the world was estimated at over $32.2 billion in 1988. Total exports were $12.7 billion, and imports reached $19.5 billion. The region's balance of trade worsened from a deficit of $4.3 billion in 1987 to a deficit of $6.8 billion in 1988. Regional imports should increase another $300 million in 1989, while exports should increase by 5 to 10 percent over 1988 figures.

U.S. Exports to the Caribbean Basin

U.S. exports to the region increased to $7.9 billion in 1988, an 11 percent increase over the previous year. U.S. exports which witnessed high growth rates included: synthetic resins--rubber and plastic materials ($265 million, 33 percent), paper and paperboard ($243 million, 26 percent), edible products and preparations ($153 million, 9 percent), and inorganic chemicals and products ($126 million, 77 percent).

U.S. Imports from the Caribbean Basin

After a small increase in 1987, U.S. imports from CBI beneficiary countries in 1988 were practically unchanged, reaching $6.3 billion. The 1988 import figures, however, represent a 30 percent decline since 1983.

The poor performance of traditional Caribbean Basin exports contributed to this decline. Crude petroleum and petroleum products exports to the United States declined 24 percent in 1988, to $1.15 billion. Other traditional product exports to the United States, such as coffee (36 percent decline to $402 million) and sugar (16 percent decline to $179 million), continued their decline. However, bauxite exports to the United States rose by 22 percent in 1988 to $265 million.

Without the strong performance of nontraditional products, the situation would be much worse. Strong growth continued in the apparel sector, with over $1.43 billion in U.S. imports from CBI beneficiary countries, a 29 percent increase since 1987. Apparel imports from CBI nations have more than tripled since 1983. U.S. imports of Caribbean Basin nontraditional products, excluding apparel, were $2.2 billion in 1988, an increase of nearly 8 percent over the previous year. Imports which showed strong or moderate growth in 1988 over 1987 included: organic chemicals and related products ($286 million, 58 percent), meat ($144 million, 7 percent), electronic equipment ($138 million, 25 percent), medical instruments and appliances ($36 million, 865 percent), and furniture and parts ($28 million, 22 percent).

Trade Balance

When the CBI was introduced, there was concern that products from the beneficiary countries would flood

the U.S. market and result in a significant trade imbalance. In fact, the opposite has been true. In 1988, two-way trade amounted to $14.2 billion, with the United States enjoying a $1.5 billion surplus. U.S. suppliers provide the equipment and raw materials necessary for the beneficiary countries to manufacture products that take advantage of CBI. U.S. export opportunities will continue to exist in those regional economic sectors now undergoing expansion, including supplies and equipment to the agribusiness, light manufacturing (especially apparel), tourism, and other service sectors (e.g., data entry).

Investment Trends in the Caribbean Basin

In early 1987, the Oversight Subcommittee of the House Ways and Means Committee requested the Department of Commerce to undertake a survey of new foreign exchange earning investment since the inauguration of the CBI in January 1984. The survey was completed in November 1988. The information provided in the survey covers the new foreign exchange generating investment and expansion of 642 companies in CBI countries.

The survey reports investments of more than $1.6 billion and the creation of more than 116,000 jobs since January 1984. Two-thirds of the companies covered by the survey are located in the Dominican Republic, Jamaica, Costa Rica, Guatemala, and Honduras. The distribution of product categories include 150 firms in CBI eligible products (except agriculture), 170 in agriculture, 20 in CBI ineligible products (except textiles), 188 in textiles and apparel manufacture, 83 in tourism, and 31 in other services, such as data entry.

By value, apparel companies account for less than 9 percent of total investment, but have created almost half of the total number of new jobs. Forty percent of the total investment is in tourism-related businesses, accounting for approximately 9,000 of the total jobs created. The United States accounts for 54 percent of the value of investments, with local and third country investors accounting for 24 and 22 percent, respectively.

Numerous opportunities exist for additional U.S. investment in the tourism, data entry, agribusiness, and light manufacturing sectors. CBI beneficiary nations offer generous investment incentives, including tax holidays, duty-free importation of raw materials for production, and a liberal policy on the repatriation of profits. Labor costs in the region are very competitive. In addition, CBI exports are eligible for duty-free access to the U.S. market. Many countries in the region also are beneficiaries of duty-free access to the European and Canadian markets under Lome and Caribcan, respectively.

Congressional Update

In March 1989, the Caribbean Basin Economic Recovery Expansion Act (or CBI II) was introduced in Congress. The bill, as currently drafted, includes an extension of the CBI, limited duty-free treatment for exempt articles [including textile products entering under the GALs (Guaranteed Access Levels) program], and separate injury cumulation determination for CBI countries in countervailing duty and antidumping cases. Additional provisions may be included before the bill is finally enacted.

Perhaps more significant than the individual provisions of the bill is the Congressional recognition of the importance of the Caribbean Basin and the need to do what is necessary to make the CBI a success.

CBI Beneficiary Countries

Anguilla*
Antigua & Barbuda
Aruba
Bahamas
Barbados
Belize
British Virgin Islands
Cayman Islands*

Costa Rica
Dominica
Dominican Republic
El Salvador
Guatemala
Grenada
Guyana
Haiti
Honduras
Jamaica
Montserrat
Netherland Antilles
Nicaragua*
Panama*
St. Christopher-Nevis
St. Lucia
St. Vincent and the Grenadines
Suriname*
Trinidad & Tobago
Turks & Caicos*

*Eligible, but not designated a CBI beneficiary

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Chile

Total Trade Trends

Trade in Chile boomed in 1988, registering the highest levels since the onset of the debt crisis in 1982. Total Chilean exports were $6.9 billion, and imports increased to $4.3 billion. This resulted in a $2.6 billion trade surplus, the largest trade surplus ever achieved in Chile.

The dynamic trade sector contributed significantly to a 6.8 percent GDP increase in 1988. This was the fifth year that Chile registered good growth, while slashing inflation to 11 percent, one of the lowest levels in Latin America. The excellent economic performance was achieved through rational economic policies, an increase in consumer demand, and favorable world conditions--low interest rates, low petroleum prices, and high commodity prices.

Foreign business confidence in the Chilean economy was displayed by a 64 percent increase in foreign direct investment to $1.9 billion. This investment was primarily in export-oriented sectors, including manufacturing, mining, forestry, and agribusiness.

The 32 percent increase in Chile's exports was generated largely by high world commodity prices. The surge in the price of Chile's most important export, copper (from 81 cents/lb. to $1.19/lb), and other commodities including cellulose and fish meal, resulted in an 18 percent gain in Chile's terms of trade. Among the best performers was the forestry sector. Sustained investment in this sector will result in significant production increases in forestry products, especially cellulose, over the next five years. Other dynamic sectors included agribusiness, especially fruits and vegetables, and fishing.

Imports expanded significantly to $4.3 billion, over 26 percent higher than 1987. A resurgence in demand for consumer goods and sustained demand for intermediate and capital goods was basic to this growth. Government policies (including a decrease in the value added tax from 20 to 16 percent, and a reduction in uniform tariffs to 15 percent) contributed to the growing import demand. Finally, appreciation of the deutsche mark and yen raised the value of some imports from those countries.

In the wake of the plebiscite, economic policy remains steady, focusing on maintaining realistic exchange rates, low inflation, and a favorable environment for investment. Trade prospects with Chile are excellent, as Chile's export sectors continue to grow and require capital and intermediate goods. The market for consumer goods should also continue to grow. In 1989, declining world copper prices are expected to lower the value of Chile's exports. Imports are expected to increase as investment continues and consumer demand rises. Privatization of several state enterprises in 1989 will open opportunities for investment in Chile. Among the slated areas to be privatized are electricity generation and distribution networks, transportation, and telecommunications.

U.S. Exports to Chile

After a decline in 1987, U.S. exports to Chile surged 34 percent in 1988, spurred by Chile's strong economic growth. The United States continued to be Chile's main trading partner, supplying 25 percent of total Chilean imports in 1988. The most dynamic sectors were construction equipment, fertilizers, computers, and mechanical equipment for the fishing, mining, and forestry sectors. Strong gains were also posted by synthetic resins, trucks, and office machinery. Most U.S. exports to Chile feed the dynamic export sectors that have the highest investment rates.

The United States also has posted strong gains in foreign direct investment in Chile in recent years. Over

180 projects totaling $1.6 billion were registered by U.S. companies in 1988. This accounted for 84 percent of total foreign direct investment in Chile in 1988.

U.S. Imports from Chile

U.S. imports from Chile also increased significantly in 1988, by 18 percent, to $1.2 billion. Fruits sustained the largest increase, expanding 25 percent to $402 million. This growth is based on the continuing expansion of the counter-seasonal fruits and vegetables sectors for markets in the United States, Europe and Asia. Grapes became the single most important import from Chile, representing 26 percent of total U.S. imports from Chile. Copper imports also jumped significantly from $262 million in 1987 to $366 million in 1988. Textiles increased 205 percent to $20 million, reflecting a new push to develop this sector for exports. Copper products and wood products also expanded notably reflecting Chile's export strength in these areas.

Trade Balance

The U.S. trade deficit with Chile decreased to $97 million in 1988. This 47 percent decline since 1987 reflects the rapid growth of U.S. exports to the Chilean market, even in the face of rising imports from Chile. An equally dynamic year is expected in 1989.

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Colombia

Total Trade Trends

Colombia's 1987 trade surplus of $735 million widened to $865 million in 1988 as the export sector of the economy continued its notable expansion. Exports grew by 11 percent, from $4.6 billion to $5.1 billion, despite a sharp decline in petroleum earnings. Imports rose 7 percent, from $3.9 billion to $4.2 billion, with substantial increases in imports of intermediate and capital goods.

The export story is truly remarkable. Diversification continues at a rapid rate, with substantial increases noted in nontraditional export categories such as cut flowers, plastic materials, and cotton. Nontraditional exports, which now account for approximately 35 percent of all exports, grew 25 percent in 1988, thus offsetting significant declines in petroleum receipts (due to low world prices and persistent insurgent attacks on pipelines). The mining sector registered a modest 5 percent growth overall, led by a 20 percent expansion in coal production. The value of coffee exports rose, despite lower volumes, benefiting from an upward price trend.

The import surge came as Colombia registered a gross domestic product (GDP) growth rate of 4.2 percent in 1988, its third consecutive year of substantial economic expansion. Industrial production continued to expand, with increased investment by Colombian and already-established foreign firms. This expansion occurred despite a slowdown in the second half of the year, when the government, beset by inflationary fears, tightened credit. Notable increases occurred in organic and inorganic chemicals, iron and steel products, and electric and electronic machines and apparatus.

Also responsible for the import expansion are several trade liberalizing measures instituted by the government. Foremost among these are the late 1987 liberalization of the import licensing system and the lowering of tariffs on imports of capital goods not produced locally to 5-35 percent. Both of these measures were designed specifically to ease the import of much-needed intermediate inputs. The government also maintains its commitment to providing a substantial level of foreign exchange for imports. The monthly foreign exchange budget during 1988 was $450 million per month, a 29 percent increase over 1987.

Unlike most Latin American debtors, Colombia has managed its $16.5 billion total external debt well and has not sought to reschedule. This has provided Colombia with an image of creditworthiness that sets it apart from its Latin neighbors. During 1988 Colombia received $1 billion disbursed from its 1987 "Concorde" loan, negotiated with its foreign private creditors; the "Challenger" loan, valued at $1.7 billion, will begin disbursement in June 1989. Colombia also maintains an excellent relationship with the international financial community, which has provided additional trade credits. The U.S. Export-Import Bank actively participates in trade and project financing for Colombia.

Although adverse international news coverage of terrorism and narcotics has clearly affected potential new foreign investors, those already established in Colombia are taking advantage of the good business climate to upgrade and expand operations. Increased investment has been fostered by the 1987 issuance of Decision 1265, which incorporated Andean Pact Decision 220 into domestic law. This legislation opens virtually all sectors to foreign investment. Legislation to ease foreign participation restrictions in the financial sector is currently before the Colombian Congress. All of these measures could help increase Colombia's import potential.

Inflation control will take priority on the Colombian economic scene in 1989. Despite the Central Bank's credit squeeze in early 1988 and a notable reduction in public sector spending, inflation rose to 28 percent, the highest rate in a decade. The government will renew its commitment to strict monetary and fiscal policies to reach its 1989 inflation target of 24-25 percent. As a result, economic growth could slow to 3-

3.5 percent. Nontraditional exports should continue expanding, while traditional exports should maintain their overall share of overall exports. Given the economic slowdown, imports should decline somewhat, thus widening the 1989 trade surplus.

U.S. Exports to Colombia

U.S. exports to Colombia grew a healthy 25 percent in 1988; total export value rose to $1.8 billion from 1987's $1.4 billion level. As a result, the U.S. share of the Colombian import market improved to 39 percent. Exports of beverages and tobacco, the smallest export category, registered the only decline (20 percent). All other categories increased, most notably chemicals and related products (28 percent), crude materials (22 percent), and machinery and transport goods (19 percent). Exports of industrial inputs rose significantly in 1988. Chemicals posted large increases, 58 percent for inorganic chemicals and 36 percent for organic chemicals. Synthetic resins/rubber/plastic and specialized hydrocarbons and derivatives also improved (23 and 31 percent, respectively). Other major gains were realized in fertilizers (41 percent), and aircraft and associated equipment (30 percent). Decreases were registered in two categories: articles of rubber and plastic (23 percent) and civil engineering equipment (10 percent).

U.S. Imports from Colombia

As Colombia's traditional exports accounted for the majority of the items shipped to the United States in 1988, U.S. imports from Colombia actually declined by 3 percent, from $2.23 billion in 1987 to $2.17 billion in 1988. The United States remains the largest recipient of Colombian products, taking about 44 percent of Colombia's total exports in 1988. Miscellaneous manufactured articles posted by far the largest gain (50 percent), followed by crude materials (22 Percent) and manufactured goods (21 percent). The major decline occurred in mineral fuels (22 percent).

Since the United States began importing coke and lignite coal from Colombia in 1986, the value has increased exponentially, rising 875 percent in 1988 alone. Other increases were registered in leather (105 percent), outerwear apparel (83 percent), vegetable materials (22 percent), and a small increase in coffee (6 percent). The United States imported less bituminous coal/peat moss (50 percent), crude petroleum (23 percent), and petroleum products (21 percent).

Trade Balance

Due to the substantial rise in the value of U.S. exports, the U.S. trade deficit with Colombia fell to $410 million, down from 1987's deficit of $820 million. U.S.-Colombian trade increased from $3.82 billion in 1987 to $4.11 billion in 1988. The growth rate of U.S. exports should level off in 1989, as a slowing Colombian economy may offset the benefits of any further trade liberalization.

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Ecuador

Total Trade Trends

Ecuador's trade position recovered after two consecutive years of serious shocks to its major export earner, petroleum. In 1988, exports increased 9 percent to $2,200 million, largely due to the resumption of petroleum production. Imports decreased 26 percent to $1,520, million resulting in a marked improvement in Ecuador's trade balance. New economic and trade policies implemented by the Borja administration were another major influence on Ecuador's changed trade position in 1988.

The greater part of the gains in exports occurred in the first half of the year. Petroleum products were the leading export goods. However, shrimp and fish meal products, bananas, coffee, and cacao exports also amassed significant amounts of much needed foreign exchange. These products comprised approximately 95 percent of Ecuador's exports; thus, the government must emphasize and encourage export diversification if export earnings are to increase significantly in the future.

Petroleum is vital to the Ecuadorian economy, since it accounts for approximately 55 percent of the government's revenues. Ecuador's export situation improved as the petroleum sector recovered from damages incurred in the March 1987 earthquake. More good news for this sector came at the end of 1988 as the world price of crude oil began to rise, continuing into 1989. Currently, the price of Ecuadorian oil has surpassed $16 per barrel and is still rising. However, these price benefits will be restricted by OPEC limits on Ecuador's oil quota.

Imports dropped approximately 26 percent from the 1987 level of $2,052 million to a more typical $1,520 million despite the resurgence of economic activity in 1988. The major factor in this drop was the renewed petroleum production. In 1987, Ecuador faced a six month stoppage of petroleum production, thus it was forced to borrow and import fuel and petroleum products to satisfy domestic demand. When repairs to the oil lines were completed, local industry was again able to fill domestic needs.

The Borja administration's selective import policy was another factor leading to a decline in imports. Unlike the preceding administration, Borja's implemented import restrictions to determine which products are brought into the country and to help conserve the depleted foreign exchange reserves. Import restriction included prohibitions (e.g., vehicles) and quotas (e.g., disassembled vehicles). The Borja administration also implemented a requirement that all capital goods imports be financed by multilateral financial institutions. This requirement effectively acted as a prohibition, but the government recently shortened its list of goods classified as capital goods. Other criteria were employed to determine import selectivity; e.g. whether the imports were inputs of a labor intensive industry or an export industry, and whether the product was produced locally. Government officials have intimated that some of these import restrictions will be in place only temporarily, until there is some relief in the tight foreign exchange situation. If so, import levels could rise in 1989.

Low oil prices and the March 1987 earthquake led to a GDP decline in 1987. In 1988, GDP grew by 8 percent, as the external trade balance and increased investment helped Ecuador nearly return to 1986 levels. However, the GDP excluding the petroleum sector grew approximately 1.5 percent compared with 2.9 percent in 1987. Thus, the major production increases resulted almost exclusively from the petroleum sector's return to pre 1987 levels. Per capita GDP rose at a satisfactory rate, but this improvement made up for less than half of the drop experienced in 1987. Per capita GDP levels remained well below 1980 levels.

U.S. Exports to Ecuador

U.S. exports to Ecuador continued to increase at a steady pace, up approximately 11 percent to $680 million

in 1988, from $615 million in 1987. The United States remained Ecuador's principal supplier, and its share of Ecuador's total imports rose slightly to 45 percent.

The leading U.S. export products all increased in value from 1987 with little variation in their order by value. Paper and paperboard maintained the number one position with an 18 percent increase to almost $52 million. Wheat followed with a 24 percent increase to $50 million; civil engineers' and contractors' equipment, and organic chemical products each rose approximately 28 percent to $48 million and $47 million respectively.

Automated data processing machinery and auxiliary equipment exports dropped 24 percent, to approximately $21 million largely due to the requirement that all capital good imports be financed by a multilateral financial institution. Other declines were registered by vehicle and tractor parts (-9 percent to $14 million), trucks and special purpose motor vehicles (-10 percent to $12 million), and aircraft and equipment (-15 percent to $11 million). Vehicle exports to Ecuador will continue to decline in 1989 since the government has not lifted its import ban. This prohibition should bring about an increase in demand for vehicle parts, yet the United States faces stiff competition in these markets from Japan and Germany.

U.S. Imports from Ecuador

The United States continued to be Ecuador's leading customer in 1988, although its share of Ecuador's total exports declined from 64 to 56 percent. U.S. purchases were concentrated in primary goods, including shellfish and fish--which measured a slight 1 percent increase to over $420 million. Fruit and nut imports rose almost 7 percent to $233.5 million; petroleum product imports jumped 67 percent to almost $88 million, and wood increased 30 percent to $12.2 million.

Principal declines were recorded by crude petroleum and agricultural products. Crude petroleum imports dropped from the 1987 level of $322 million to $303 million. The agriculture sector's recent difficulties were reflected in the sharp decline in two historically strong exports: coffee and cocoa, which dropped 30 percent to $114.6 million and 26 percent to $82.7 million respectively.

Trade Balance

The U.S. recorded its eighth consecutive trade deficit with Ecuador, but this is the fourth successive year this deficit was reduced. The 1988 trade deficit decreased 15 percent to $551 million, from $650 million in 1987. This deficit likely will narrow again in 1989 as certain import restrictions are loosened and import demand increases.

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Mexico

Total Trade Trends

Significant changes took place in Mexico during 1988, particularly in the area of trade. Trade barriers were reduced, making many imports easily available to Mexican manufacturers and consumers. The country's exports of manufactured and agricultural products continued to climb, underlining the successful effort Mexico has made to diversify its export base away from reliance on petroleum.

In the latter part of 1988, Mexico's trade balance went into deficit, absorbing trade surpluses built up earlier. For the year, Mexico had a merchandise trade surplus of $1.8 billion. Exports of $20 billion were essentially at the level they were in 1987. In contrast, imports of $18.9 billion were 53 percent above their 1987 level.

The reduction of tariffs and elimination of many import license requirements, coupled with a real currency appreciation, contributed to the large increase in imports. Imports of intermediate and capital goods accounted for most of 1988's total increase. However, consumer goods also increased dramatically, reflecting pent-up consumer demand in Mexico for products that previously were not easily obtainable.

In 1988, Mexico's exports of nonpetroleum goods, including manufactured and agricultural products, increased 17 percent to $11.5 billion. The growth of these exports offset the declining value of petroleum exports caused by lower international prices during the second half of the year.

The "maquiladora", or in-bond, program continued its growth in 1988, earning an estimated $2 billion in foreign exchange. This program allows foreign manufacturers to ship components into Mexico duty-free for assembly and subsequent reexport. Mexico does not include this sector in its merchandise trade statistics, considering its earnings to be classified more appropriately under services. This sector ranks as Mexico's third largest generator of foreign earnings, ranking behind petroleum and tourism.

In the first half of 1988, Mexico's economy grew by an estimated 3-3.5 percent. Economic growth in this period was spurred by manufactured exports, electrical production, transport, and communications. Early in the second half of the year, the economy began to slow as a result of continued high domestic interest rates and lower internal demand. However, due to higher oil prices in the latter part of 1988, the economy picked up again, and GDP grew by 1.1 percent for the year.

To combat accelerating inflation, in December 1987, the Mexican Government announced the Economic Solidarity Pact (ESP). The ESP, a pact between government, business, and labor, called for cuts in discretionary government spending, and wage and price controls. As a result of the program, inflation, which exceeded 159 percent in 1987, was reduced to 52 percent in 1988.

In December 1988, the ESP was replaced by the Pact for Stability and Economic Growth (PSEG). Under the PSEG, the peso is to be devalued at a rate of 1 peso per day, through July 1989, a decrease of approximately 9 percent. Minimum wages were raised 8 percent, and prices on some subsidized products were raised. Discretionary government spending will continue to be controlled. Interest rates will also remain high in order to slow domestic demand. This latter policy will have the adverse effect of slowing economic growth, but should attract funds into Mexico.

U.S. Exports to Mexico

Following a 17 percent growth rate in 1987, U.S. exports to Mexico surged by 40 percent in 1988, to $20.6 billion. Mexico is the third largest market for U.S. exports. Machinery and transportation equipment

accounted for approximately 50 percent of U.S. exports during 1988. Automobile parts were the largest component of this category, totaling $2.3 billion.

U.S. exports of electronic tubes, except those for televisions, totaled $665 million, an increase of $127 million. Television apparatus and tubes increased $102 million, to $462 million.

U.S. exports of agricultural products also did well in 1988. Grain exports reached $641 million, an increase of $281 million. Meat and poultry increased $183 million, to $241 million. Live cattle exports increased $110 million, to $141 million. The performance of U.S. agricultural exports can be attributed to declining production in Mexico due to drought and price control policies that have discouraged production.

U.S. exports should continue to grow in 1988, although it is not anticipated that a 40 percent growth rate will be sustained in 1989. A favorable exchange rate and continued demand for imported goods will continue to benefit U.S. exporters. Goods marketed to Mexican companies that will process them for later reexport should do particularly well.

U.S. Imports from Mexico

U.S. imports from Mexico totaled $23.2 billion in 1988, an increase of 14.8 percent from the previous year. This increase can be attributed to growing imports of automobiles and parts, which increased by $556 million to $3.9 billion. Imports of television receivers totaled $556 million, an increase of $296 million. Crude petroleum remains the United States' largest import from Mexico. Due to falling prices in 1988, these imports declined by $647 billion, to $3.1 billion. Mexico is the fourth largest supplier of imported petroleum to the United States.

Imports classified under Tariff Schedule item numbers 806.30 and 807.00 totaled $9.9 billion in 1988, an increase of 21 percent over 1987. Products eligible for these classifications contain U.S.-made material and, when entered into the United States, are assessed duty only on the value added abroad. Imports of electronics, automotive parts, and apparel dominate, which is linked to the maquiladora program.
U.S. imports from Mexico in 1989 should increase, if the rise in petroleum prices that took place in late 1988 continues. In addition, imports of products manufactured under the maquiladora program will increase as more of these plants continue to be opened. During 1988, the number of maquiladora plants grew by 16 percent, to 1,500, and are projected to grow by another 16 percent in 1989.

Balance of Trade

The United States' trade deficit with Mexico dropped by 46 percent, to $2.6 billion in 1988. This decline was the result of the strong performance of U.S. exports in 1988. At $44 billion, the total volume of trade between the two countries makes Mexico the United States' third largest trading partner. The United States, in turn, is Mexico's largest trading partner, accounting for two-thirds of its international trade.

In 1988, consultations were held under the U.S.-Mexico Framework Understanding on Trade and Investment. Topics discussed included trade in agriculture and electronics, intellectual property rights, and investment. It is anticipated that meetings will continue during 1989, and enhance the two countries' commercial ties.

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Paraguay

Total Trade Trends

In 1988, Paraguay's exports of about $1.1 billion and imports of approximately $1.2 billion resulted in a trade deficit of about $0.1 billion. This is a slight improvement over the deficit of $0.2 billion in 1987 (note: these estimates are based upon IMF data, which includes both registered and the widespread unregistered trade in Paraguay).

Exports grew significantly for the second straight year, up over 20 percent in 1988. The agricultural-based export sector has benefited from favorable weather conditions and strong international commodity prices. Cotton and soybean exports performed particularly well. These two commodities now account for nearly 80 percent of total exports, with other traditional exports --particularly lumber and beef--becoming less important.

Paraguay also sustained its import growth, up about 9 percent in 1988. Imports have been spurred by modest economic growth (3 percent in 1987 and 4 percent in 1988) and a highly overvalued official exchange rate for public sector imports.

The new economic leaders in Paraguay, following the early February 1989 coup, have made important changes in the trade regime. Most significantly, the multiple exchange rate system was eliminated in late February and replaced by a unified, floating exchange rate. The 550 guaranies per dollar rate for exports and 400 guaranies per dollar rate for public sector imports were devalued to the free market rate of 1,040 guaranies per dollar. Exporters will receive a considerable boost, given the low level of local currency previously received from export earnings. This boost should also remove one of the principal incentives for avoiding exporting through official channels. Public sector imports will be more expensive in the short term, but the overall benefits of a more realistic exchange rate should help the economy and imports over the longer term.

U.S. Exports

U.S. exports to Paraguay increased 6 percent in 1988 to $194 million. A large share of U.S. exports to Paraguay are "in-transit" to Brazil and Argentina. For example, tourists from these neighboring countries come to Paraguayan border towns to purchase a variety of foreign consumer products that are difficult to obtain in the restricted Brazilian and Argentine markets. This is reflected in the U.S. export statistics. Items such as tape recorders, cigarettes, video cameras, personal computers, and radios lead U.S. exports to Paraguay.

U.S. Imports

While the United States is a small market for Paraguay's exports, U.S. imports from that country grew by two-thirds from $22 million in 1987 to $37 million in 1988. Most of the gain was generated by increased U.S. imports of leather, sugar, and textiles, far exceeding continued declines in traditionally large coffee sales. Coffee, which accounted for 60 percent of U.S. imports from Paraguay as recently as 1986, only comprised 15 percent in 1988. The shift is a result of the drop of the world price for coffee, combined with modest diversification of Paraguay's exports to the United States.

Trade Balance

The United States ran a trade surplus with Paraguay of $157 million in 1988 (Paraguay and Peru were the

The United States ran a trade surplus with Paraguay of $157 million in 1988 (Paraguay and Peru were the only countries in South America with which the United States had a trade surplus in 1988). The surplus was just $5 million smaller than in 1987. This surplus may be reduced in 1989 given the exchange rate changes implemented in February, which should help increase Paraguayan exports to the United States.

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Peru

Total Trade Trends

Peru narrowed its 1988 trade deficit to $100 million after posting a $330 million deficit in 1987. Export receipts rose a slight 2 percent, from $2.6 billion to $2.7 billion, despite unprecedented high world prices for several of Peru's exports. Imports fell 6 percent, from $2.9 billion to $2.8 billion, as the country plunged headlong into the worst economic crisis in memory.

Peru's export industries were hindered by labor strikes and by government policy. Two major mining sector strikes resulted in a loss of $550 million in production earnings. This loss was particularly felt in copper (Peru's largest mineral export), zinc, and lead, whose world market prices rose significantly. A strike also affected the fish meal sector, whose production, while increasing over the weather-affected 1987 level, fell short of expectations. The traditionally strong petroleum and mining export industries have also been hampered by artificially low exchange rates. Early attempts to devalue the multi-tiered system's export exchange rates in line with inflation failed. The exchange rate system was unified as part of the September 1988 austerity measures, but this move failed to keep the inti competitive. The petroleum sector also suffered from dwindling proven oil reserves.

Importers began to feel the pinch of a contracting economy by mid-1988. Negative official foreign exchange reserves, tightening requirements for import licenses, and the October suspension of Central Bank payment authorization for many consumer goods were the primary constraining factors. Importers did benefit from the official recognition of the parallel dollar exchange market and from the availability of import licenses for imports using nonofficial foreign exchange. These changes provided import-dependent industries with the means to bring in at least some of their intermediate inputs and capital goods. Declines in petroleum production for domestic consumption forced Peru to become a net oil importer in 1988. The economic crisis also precipitated a huge increase in the import of basic foodstuffs, much of which was tied up at port for lengthy periods due to the importers' inability to pay.

The trade account has proven to be Peru's one economic bright spot. The "heterodox" policy of the Garcia administration, characterized by such measures as a fixed (and increasingly overvalued) currency, controlled prices on many goods and services, substantially negative real interest rates, and a well-publicized hard-line stance on debt repayment, created an economy under considerable strain by late 1988. Gross domestic product (GDP) fell 8.5 percent as consumption and investment posted significant declines. Inflation, fed by an expanding public sector deficit, skyrocketed, reaching more than 1,700 percent by official estimates (over 2,000 percent by private estimates). President Garcia has come under mounting criticism for his gradualist approach to addressing the incipient crisis, which many claim has only succeeded in aggravating the situation.

Financing from private and multilateral creditors has also contracted. The resulting lack of trade credits has led to an increasing Peruvian Government interest in countertrade. Debt-for-product agreements, despite some snags in implementation, are still an attractive option for debt reduction. Government regulations on debt-equity swaps issued in November 1988 have not as yet encouraged any deals.

This will be a critical year for Peru. The inflationary spiral and the severe recession are uppermost in the minds of Peruvians. The recessionary contraction in consumer spending, along with tightening restrictions on many goods, will dramatically curtail imports. A continued decline in industrial investment due to sharply negative interest rates and conflicting government policy will also serve to choke off imports. Government efforts to promote exports must first start with a competitive exchange rate. If mineral prices

remain high, some improvement may appear in the export account, but only if labor difficulties are contained and volume levels maintained.

U.S. Exports to Peru

The United States remained Peru's largest supplier in 1988, accounting for approximately 29 percent of Peruvian imports. U.S. exports reversed their rising trend, however, as export value declined 2 percent, from $810 million in 1987 to $793 million in 1988. The worsening economic situation and tightening import restrictions curtailed U.S. exports in the last quarter.

Increases occurred only in the export value of mineral fuels (41 percent), food and live animals (25 percent), and the relatively small categories of oils and fats, and beverages and tobacco (187 and 23 percent, respectively; however, these two categories together represent only $6 million in trade). Declines were registered in exports of manufactured goods (29 percent) and machinery and transportation equipment (12 percent). Within these categories, large increases occurred in wheat (125 percent) and refined petroleum products (52 percent). These increases reflects Peru's inability to produce these items in sufficient quantities due to current conditions. Aircraft, medicinal and pharmaceutical products, and civil engineering equipment all experienced declines (38, 23, and 19 percent, respectively).

U.S. Imports from Peru

Due to the difficulties in the mining and petroleum sectors, U.S. imports from Peru fell 14 percent in 1988, down to $656 million from 1987's $769 million. The United States purchased 26 percent of Peru's exports in 1988. As expected, the largest decrease was recorded in mineral fuels (34 percent). The value of manufactured goods and crude materials also suffered, falling 24 and 21 percent, respectively.

Import values of petroleum products dropped dramatically (43 percent). Minerals and metals also posted significant declines, notably in precious metals and ores (45 percent), zinc and its alloys (13 percent), and copper and its alloys (12 percent). Shellfish imports also declined by 36 percent. Improvements occurred in the import of sugar and syrups (63 percent), crude petroleum (36 percent), and base metal ores and concentrates (13 percent).

Trade Balance

The United States' trade surplus with Peru increased in 1988, registering $137 million, versus $41 million in 1987. Two-way trade declined from $1.58 billion in 1987 to $1.45 billion in 1988. U.S. exports are expected to contract even further in 1989, reflecting Peru's scarce foreign exchange situation, lack of available trade credit, and tougher import restrictions.

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Uruguay

Total Trade Trends

After three years of strong growth in Uruguay, in 1988 GDP stagnated and real wages remained at 1987 levels. The most serious factors contributing to this lack of growth were investment below replacement levels and resurgent inflation fueled by a growing federal deficit and rapid devaluations of the peso. While exports increased significantly in 1988, imports fell, partially as a result of decreasing domestic consumption and low investment levels.

In 1988 Uruguay's exports expanded 17 percent, to an all-time high level of $1,395 million. In contrast, imports increased slightly to $1,177 million. This increase resulted in a $218 million trade surplus in 1988, compared with $100 million in 1987.

The large increase in exports is the result of government policies aimed at promoting exports by maintaining a competitively valued exchange rate, as well as a vigorous export promotion program. Exports in nearly all categories except seafood grew. Wool exports grew by 41 percent, textile exports by 28 percent, and rice exports by almost 70 percent. Uruguay is moving to diversify its markets to nontraditional trading partners. The clearest indication is the 214 percent increase in exports to the Peoples Republic of China (PRC). Only one year after establishing diplomatic relations, the PRC became Uruguay's third largest trading partner. Exports to new markets, including the Soviet Bloc and many Arab states increased, while exports to the United States and the European Economic Community fell. The main products exported to these new areas were Uruguay's traditional products such as wool, leather, and beef.

Uruguayan imports increased 3 percent in 1988, compared with an increase of 32 percent in 1987. As almost 10 percent of Uruguay's imports is petroleum, some of this lower rate of increase is due to the low oil prices in 1988. Furthermore, with real wages at 1987 levels and inflation rising, domestic demand was low, dampening imports. Lastly, low investment levels depressed demand for intermediate and capital goods. Brazil was Uruguay's largest foreign supplier, followed by Argentina, the United States, and Germany.

Uruguay's trade in 1989 is expected to remain at 1988 levels. A continued problem with low investment rates and a resurgence in inflation could dampen Uruguayan imports even further. Uruguayan exports will continue to grow, but the emphasis will be on new trading partners.

U.S. Exports to Uruguay

U.S. exports to Uruguay, increasing nearly 8 percent in 1988 to $99 million, grew more quickly than world exports to Uruguay. Agricultural chemicals and fertilizers, other chemicals, plastics, precision and office equipment, and machinery account for approximately 40 percent of U.S. exports to that country. The most dynamic sectors were office equipment, which increased 41 percent to $3.6 million; pesticides and fungicides, which increased 147 percent, to $2.6 million; and medical equipment, which nearly doubled to $2.1 million. Many of these exports feed traditionally strong sectors in Uruguay such as agriculture and textiles. Strong markets for U.S. exports will continue to be chemicals, manufactured goods and machinery, transport equipment, food processing equipment, office equipment, and medical supplies.

U.S. Imports from Uruguay

U.S. imports from Uruguay fell 20 percent, to $275 million, in 1988. The top imports from Uruguay were gold, nonmonetary precious metals, and art works (collectors pieces--which registered a decrease of over 35

percent. However, these exports do not represent real trade but rather transient capital from the region that is taking advantage of the open financial system in Uruguay. A more realistic trade figure, therefore, is total trade less gold and art work, which shows a decrease of only 11 percent in 1988.

Textiles, the most important real import from Uruguay, suffered a 15 percent decline. This fall in textile imports from Uruguay is largely the result of stronger competition in U.S. markets, increased U.S. domestic production and a major labor strike that left many textile plants in Uruguay idle for over a month in 1988. Due to climactic problems, exports of frozen and fresh fish fell, as did sugar imports. Cheese, despite an increase in the U.S. quota allocation late in the year, rose only slightly.

Trade Balance

The United States had a trade deficit with Uruguay of $175 million in 1988. This is a 31 percent decrease from the 1987 deficit of $252 million. The decrease can be attributed to the simultaneous increase in exports to Uruguay and decrease in imports from Uruguay. Despite the low Uruguayan growth rates, excellent opportunities can be found for U.S. exporters, especially in light of the need for new investment in Uruguay.

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Venezuela

Total Trade Trends

In 1988, Venezuela's imports rose sharply to $10.9 billion, the highest level since 1982. Meanwhile, exports amounted to $10.1 billion because of lower international prices for oil. Thus, Venezuela registered a trade deficit of about $800 million, its first in a decade. Imports were strong because economic conditions were buoyant during a Presidential election year (GDP grew an estimated 4.2 percent). As government spending accelerated (the deficit was about 7 percent of GDP), so did imports. Public sector imports, accounting for an estimated 20 percent of the total, expanded not only to meet the requirements of the huge oil and gas sectors but also for operations and expansion of projects in the iron and steel, aluminum, petrochemicals, and mining sectors. Concurrently, private sector imports rose and accelerated as importers anticipated a devaluation of the Venezuelan bolivar. In addition, agricultural commodity imports grew under the impetus of credits available under the U.S. Commodity Credit Corporation (CCC) facility.

Although imports surged, nonetheless throughout 1988, the Venezuelan Government maintained a highly complex import/exchange control system to conserve foreign exchange and to protect local producers. Controls included import licensing, direct prohibitions, and government import monopolies. Also, import duties on 581 items were raised to 80-100 percent ad valorem at the end of 1988. An additional 60 percent surcharge on c.i.f. value was imposed for balance-of-payments reasons. Items affected included computers and office equipment, hardware, tools, many food products, textiles and paper products, sporting goods, household appliances, and electronic equipment for home entertainment. Payments for imports remained slow but continued despite Venezuela's substantial international debt burden.

Venezuela's imports are also influenced by foreign investors including those of many multinationals. Although their impact on trade is difficult to quantify, many foreign investors require a continuing stream of imported supplies, machinery and equipment, (e.g., the automobile industry, which is the largest vehicle assembler in the Andean region). This trend could increase given the Venezuelan Government's expressed interest in attracting more foreign investment.

Exports of oil still dominate, accounting for 81 percent of total exports. However, the oil sector's share of total exports continued to decline from the 91 percent level reached in 1985. Lower international oil prices was the principal cause, although a good performance by Venezuela's non-oil exports offset a portion of the decline. Oil exports totaled $8.4 billion, down from $9.1 billion in 1987, despite an estimated increase of about 100,000 barrels a day in export volume.

Non-oil sector exports continued to expand and totaled about $2 billion in 1988, a 33 percent increase over 1987. Public sector entities were at the forefront of the expansion, accounting for 71 percent of non-oil exports. These consisted largely of minerals and metals, as the government concentrates on the development of the aluminum, iron, and steel industries. Private sector exports stagnated mainly because of the buoyant economy and an unfavorable exchange rate.

The outlook for 1989 is for much lower import levels, declining to perhaps $9 billion. Little, if any, economic growth is anticipated for the remainder of 1989 as the Venezuelan economy adjusts to lower demand levels. In February 1989, faced with severe financial and economic imbalances, the Venezuelan Government announced economic reform measures designed to stabilize the economy and set the stage for a resumption of sustained economic growth. The reforms call for Venezuelan producers to become more efficient and competitive. Trade liberalization measures include reduced quantitative import controls, lower tariffs, and a unified exchange rate. Venezuela's exports could increase to about $11 billion if international oil prices are sustained and the export diversification drive succeeds.

U.S. Exports to Venezuela

U.S. exports to Venezuela rose a strong 28 percent in 1988 to $4.6 billion. The surge in U.S exports made Venezuela the third largest market for U.S goods in the Western Hemisphere, surpassed only by Canada and Mexico. Virtually all broad categories of U.S. exports increased substantially both in value and in percentage terms. Thus, machinery and transport equipment increased 32 percent to $2.2 billion while chemicals and related goods rose 16 percent to $743 million. Food and live animals soared 48 percent to $534 million, largely on the strength of much higher feedstuff and cereal sales and the availability of CCC credits. These categories accounted for 76 percent of total U.S. exports to Venezuela.

U.S. Imports From Venezuela

U.S. imports from Venezuela totaled $5.2 billion, down 6 percent from 1987. Imports of petroleum and related products accounted for 84 percent of total imports and declined by 10 percent because of lower international prices. Significantly, aluminum and aluminum alloys imports rose by 54 percent to $195 million. This was due to higher prices as well as somewhat higher Venezuelan production. Still, aluminum accounted for only 4 percent of total U.S. imports. Other imports reflected Venezuela's expanding exports of minerals and metals industries such as iron ore, pig iron, and steel sheets and plates and various other ores and nonferrous scrap. Shellfish, motor vehicle parts, fertilizers and fertilizer materials were among other principal and growing imports.

Trade Balance

The U.S. trade balance is usually in deficit with Venezuela because of strong petroleum sector imports. With petroleum prices firming and the nonpetroleum imports continuing to expand, U.S. imports are very likely to surpass the $5.2 billion recorded in 1988. Meanwhile, U.S. exports will be affected adversely by the economic readjustment process under way in Venezuela. Thus, the U.S trade deficit with Venezuela should increase to approximately the $2-$2.2 billion range, well above the $1 billion deficit of 1988.

The United States continues to be by far Venezuela's principal trading partner. About one-half of Venezuela's exports usually go to the United States while slightly over 40 percent of Venezuela's imports originate in the United States. Although third countries are increasingly competitive, imports from such major competitors as Japan and Germany still accounted for market shares of only 6 and 9 percent, respectively (1987 data).

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Appendix A

Latin American Global Trade
1981/1985-88
Exports, Imports, Trade Balance
Percentage Change

TABLE 1
Latin America's Trade with the World 1)
(U.S. $ Billion; Imports F.O.B.; Exports F.O.B.)

	1981			1985			1986			1987			1988 2)		
	EXP	IMP	BOT	EXP	IMP	BOT	EXP	IMP	BOT	EXP	IMP	BOT	EXP	IMP	BOT
ARGENTINA	9.1	8.4	0.7	8.4	3.5	4.9	6.9	4.3	2.5	6.4	5.3	1.0	8.5	4.9	3.6
BOLIVIA	0.9	0.8	0.1	0.6	0.5	0.2	0.6	0.6	0.0	0.6	0.7	-0.1	0.6	0.7	0.0
BRAZIL	23.3	22.1	1.2	25.6	13.2	12.5	22.3	14.0	8.3	26.2	15.1	11.2	33.8	14.7	19.1
CHILE	3.9	5.6	-1.7	3.8	2.4	1.4	4.2	2.6	1.6	5.1	3.4	1.7	6.9	4.3	2.6
COLOMBIA	3.0	4.7	-1.7	3.6	3.7	-0.2	5.1	3.6	1.5	4.6	3.9	0.7	5.1	4.2	0.9
ECUADOR	2.5	1.9	0.6	2.9	1.5	1.4	2.2	1.6	0.6	2.0	2.0	0.0	2.2	1.5	0.7
PARAGUAY	0.4	0.8	-0.4	0.3	0.5	-0.2	0.6	0.7	-0.2	1.0	1.0	-0.1	1.1	1.2	-0.1
PERU	3.0	3.5	0.3	3.0	1.7	1.3	2.5	2.4	0.1	2.6	2.9	-0.3	2.7	2.8	-0.1
URUGUAY	1.2	1.5	-0.3	0.9	0.7	0.2	1.1	0.8	0.3	1.2	1.1	0.1	1.4	1.1	0.3
VENEZUELA	20.0	12.1	7.0	14.7	7.5	7.1	9.1	7.9	1.3	10.6	8.0	1.7	10.1	10.9	-0.0
SOUTH AMERICA	68.0	61.5	6.5	63.0	35.3	28.5	54.6	38.6	16.0	60.2	44.1	16.1	72.4	46.2	26.2
MEXICO 3)	19.4	23.9	-4.5	21.9	13.2	8.7	15.7	11.4	4.3	20.7	12.2	8.5	20.7	10.9	1.0
CARIBBEAN BASIN 4)	20.5	24.2	-6.4	13.7	15.1	-1.4	12.3	16.0	-3.7	12.6	16.9	-4.3	12.7	19.5	-6.0
TOTAL LATIN AMERICA	107.9	109.6	-1.7	99.4	63.6	35.0	82.6	66.0	16.6	93.5	73.3	20.3	105.0	84.6	21.2

Source: Foreign Government, International Monetary Fund Statistics IFS Series

Notes: 1) Total figures and percentage changes are calculated from actual not rounded data.
2) Data for 1988 are USDOC estimates.
3) Mexican trade statistics do not include in-bond and non-monetary gold/silver transactions.
4) Caribbean Basin includes Central America, Caribbean Islands, Guyana, and Surinam; Caribbean Basin data are USDOC estimates for all years.

TABLE 2
Latin America's Exports to the World 1)
(U.S. $ Billions; F.O.B.)

	1981	1985	1986	% Chg	1987	% Chg.	1988 2)	% Chg.
ARGENTINA	9.1	8.4	6.9	-18	6.4	-7	8.5	34
BOLIVIA	0.9	0.6	0.6	-10	0.6	0	0.6	14
BRAZIL	23.3	25.6	22.3	-13	26.2	17	33.8	29
CHILE	3.9	3.8	4.2	10	5.1	21	6.9	36
COLOMBIA	3.0	3.6	5.1	44	4.6	-9	5.1	10
ECUADOR	2.5	2.9	2.2	-25	2.0	-7	2.2	9
PARAGUAY	0.4	0.3	0.6	77	1.0	67	1.1	15
PERU	3.8	3.0	2.5	-15	2.6	3	2.7	2
URUGUAY	1.2	0.9	1.1	20	1.2	9	1.4	17
VENEZUELA	20.0	14.7	9.1	-38	10.6	16	10.1	-4
SOUTH AMERICA	68.0	63.8	54.6	-14	60.2	10	72.4	20
MEXICO 3)	19.4	21.9	15.7	-28	20.7	32	20.7	0
CARIBBEAN BASIN 4)	20.5	13.7	12.3	-10	12.6	2	12.7	1
TOTAL LATIN AMERICA	107.9	99.4	82.6	-17	93.5	13	105.8	13

Source: Foreign Government, International Monetary Fund Statistics IFS Series

Notes: 1) Total figures and percentage changes are calculated from actual not rounded data.
2) Data for 1988 are USDOC estimates.
3) Mexico trade statistics do not include in-bond and non-monetary gold/silver transactions.
4) Caribbean Basin includes Central America, Caribbean Islands, Guyana, and Surinam; Caribbean Basin data are USDOC estimates for all years.

TABLE 3

Latin America's Imports from the World 1)

(U.S. $ Billions; F.O.B.)

	1981	1985	1986	% Chg.	1987	% Chg.	1988 2)	% Chg.
ARGENTINA	8.4	3.5	4.3	23	5.3	23	4.9	-8
BOLIVIA	0.8	0.5	0.6	30	0.7	8	0.7	3
BRAZIL	22.1	13.2	14.0	7	15.1	7	14.7	-2
CHILE	5.6	2.4	2.6	6	3.4	30	4.3	27
COLOMBIA	4.7	3.7	3.6	-4	3.9	10	4.2	7
ECUADOR	1.9	1.5	1.6	2	2.0	26	1.5	-24
PARAGUAY	0.8	0.5	0.7	43	1.0	43	1.2	14
PERU	3.5	1.7	2.4	44	2.9	18	2.8	-2
URUGUAY	1.5	0.7	0.8	23	1.1	31	1.1	-1
VENEZUELA	12.1	7.5	7.9	4	8.8	12	10.9	23
SOUTH AMERICA	61.5	35.3	38.6	9	44.1	14	46.2	5
MEXICO 3)	23.9	13.2	11.4	-14	12.2	7	18.9	55
CARIBBEAN BASIN 4)	24.2	15.1	16.0	6	16.9	6	19.5	15
TOTAL LATIN AMERICA	109.6	63.6	66.0	4	73.3	11	84.6	16

Source: Foreign Government Statistics, International Monetary Fund Statistics IFS Series

Notes: 1) Total figures and percentage changes are calculated from actual not rounded data.
2) Data for 1988 are USDOC estimates.
3) Mexican trade statistics do not include in-bond and non-monetary gold/silver transactio
4) Caribbean Basin includes Central America, Caribbean Islands, Guyana, and Suriname; Caribbean Basin imports are USDOC estimates.

Appendix B

U.S.-Latin American Trade
1981/1985-88
Exports, Imports, Trade Balance
Percentage Change

TABLE 1

U.S. Trade with Latin America 1)

U.S. $ Billion; Total Exports F.A.S.;General Imports Customs Value)

	1981			1985			1986			1987			1988		
	EXP	IMP	BOT	EXP	IMP	BOT	EXP	IMP	BOT	EXP	IMP	BOT	EXP	IMP	BOT
ARGENTINA	2.2	1.1	1.1	0.7	1.1	-0.4	0.9	0.9	0.1	1.1	1.1	0.0	1.1	1.4	-0.4
BOLIVIA	0.2	0.2	0.0	0.1	0.1	0.0	0.1	0.1	0.0	0.1	0.1	0.0	0.1	0.1	0.0
BRAZIL	3.8	4.5	-0.7	3.1	7.5	-4.4	3.9	6.8	-3.0	4.9	7.9	-3.9	4.2	9.3	-5.1
CHILE	1.5	0.6	0.9	0.7	0.7	-0.1	0.8	0.8	0.0	0.8	1.0	-0.2	1.1	1.2	-0.1
COLOMBIA	1.8	0.8	0.9	1.5	1.3	0.1	1.3	1.9	-0.6	1.4	2.2	-0.8	1.8	2.2	-0.4
ECUADOR	0.8	1.0	-0.2	0.6	1.8	-1.2	0.6	1.5	-0.9	0.6	1.3	-0.7	0.7	1.2	-0.6
PARAGUAY	0.1	0.0	0.1	0.1	0.0	0.1	0.2	0.0	0.1	0.2	0.0	0.2	0.2	0.0	0.2
PERU	1.5	1.2	0.3	0.5	1.1	-0.6	0.7	0.8	-0.1	0.8	0.8	0.0	0.8	0.7	0.1
URUGUAY	0.2	0.2	0.0	0.1	0.6	-0.5	0.1	0.5	-0.4	0.1	0.3	-0.3	0.1	0.3	-0.2
VENEZUELA	5.4	5.6	-0.1	3.2	6.5	-3.4	3.1	5.1	-2.0	3.6	5.6	-2.0	4.6	5.2	-0.7
SOUTH AMERICA	17.4	15.2	2.2	10.5	20.8	-10.3	11.7	18.4	-6.6	12.7	20.2	-7.6	14.6	21.6	-7.0
MEXICO	17.8	13.8	4.0	13.6	19.1	-5.5	12.4	17.3	-4.9	14.6	20.3	-5.7	20.6	23.3	-2.6
CARIBBEAN BASIN 2)	6.6	10.0	-3.4	6.1	6.9	-0.8	6.5	6.3	0.2	7.1	6.3	0.8	7.9	6.3	1.5
TOTAL LATIN AMERICA	41.8	39.0	2.8	30.3	46.9	-16.6	30.6	41.9	-11.3	34.4	46.8	-12.5	43.1	51.3	-8.1
US TRADE WITH REST OF WORLD	196.9	222.0	-25.1	188.9	298.4	-109.5	196.9	328.0	-131.1	218.5	359.1	-140.6	277.3	390.0	-112.8
US TRADE WITH WORLD	238.7	261.0	-22.3	219.2	345.3	-126.1	227.5	370.0	-142.5	252.9	405.9	-153.0	320.4	441.3	-120.9

Source:U.S. Department of Commerce

Notes: 1) Total figures and percentage changes are calculated from actual not rounded data.
2) Caribbean Basin includes Central America, Caribbean Islands, Guyana, and Surinam.

TABLE 2
U.S. Total Exports to Latin America 1)
(U.S. $ Billions; F.A.S.)

	1981	1985	1986	% Chg	1987	% Chg	1988	% Chg.
ARGENTINA	2.2	0.7	0.9	32	1.1	15	1.1	-3
BOLIVIA	0.2	0.1	0.1	-6	0.1	25	0.1	6
BRAZIL	3.8	3.1	3.9	23	4.0	4	4.2	6
CHILE	1.5	0.7	0.8	21	0.8	-3	1.1	34
COLOMBIA	1.8	1.5	1.3	-10	1.4	8	1.8	25
ECUADOR	0.8	0.6	0.6	1	0.6	4	0.7	11
PARAGUAY	0.1	0.1	0.2	72	0.2	8	0.2	6
PERU	1.5	0.5	0.7	41	0.8	17	0.8	-2
URUGUAY	0.2	0.1	0.1	57	0.1	-7	0.1	8
VENEZUELA	5.4	3.2	3.1	-1	3.6	13	4.6	28
SOUTH AMERICA	17.4	10.5	11.7	12	12.7	8	14.6	15
MEXICO	17.8	13.6	12.4	-9	14.6	18	20.6	42
CARIBBEAN BASIN 2)	6.6	6.1	6.5	5	7.1	10	7.9	11
TOTAL LATIN AMERICA	41.8	30.3	30.6	1	34.4	12	43.1	25
U.S. EXPORTS TO REST OF WORLD	196.9	188.9	196.9	4	218.5	11	277.3	27
U.S. EXPORTS TO WORLD	238.7	219.2	227.5	4	252.9	11	320.4	27

Source: U.S.Department of Commerce
Notes: 1) Total figures and percentage changes are calculated from actual not rounded data.
2) Caribbean Basin includes Central America,Caribbean Islands,Guyana and Surinam.

TABLE 3
U.S. General Imports From Latin America 1)
(U.S. $ Billions; Customs Value)

	1981	1985	1986	% Chg	1987	% Chg	1988	% Chg.
ARGENTINA	1.1	1.1	0.9	-20	1.1	26	1.4	33
BOLIVIA	0.2	0.1	0.1	25	0.1	-10	0.1	5
BRAZIL	4.5	7.5	6.8	-9	7.9	15	9.3	19
CHILE	0.6	0.7	0.8	10	1.0	20	1.2	18
COLOMBIA	0.8	1.3	1.9	41	2.2	19	2.2	-3
ECUADOR	1.0	1.8	1.5	-20	1.3	-14	1.2	-3
PARAGUAY	0.05	0.02	0.03	25	0.02	-27	0.04	68
PERU	1.2	1.1	0.8	-26	0.8	-4	0.7	-15
URUGUAY	0.2	0.6	0.5	-15	0.3	-27	0.3	-20
VENEZUELA	5.6	6.5	5.1	-22	5.6	9	5.2	-6
SOUTH AMERICA	15.2	20.8	18.4	-12	20.2	10	21.6	7
MEXICO	13.8	19.1	17.3	-10	20.3	17	23.3	15
CARIBBEAN BASIN 2	10.0	6.9	6.3	-10	6.3	1	6.3	0
TOTAL LATIN AMERICA	39.0	46.9	41.9	-11	46.8	12	51.3	9
U.S. IMPORTS FROM REST OF WORLD	222.0	298.4	328.0	10	359.1	9	390.0	9
U.S. IMPORTS FROM WORLD	261.0	345.3	370.0	7	405.9	10	441.3	9

Source:U.S. Department of Commerce

1) Total figures and percentage changes are calculated from actual not rounded data.
2) Caribbean Basin includes Central America,Caribbean Islands,Guyana,and Suriname.

Appendix C

U.S.-Latin American Trade
1984-88
Regional and Bilateral Exports and Imports
By Major Commodity (Schedules E and A)

TABLE 1

Argentina: U.S. Total exports, F.a.s. value
(Thousands of dollars)

Schedule E commodity \ Time period	1984	1985	1986	1987	1988
Total all commodities	895,831	717,477	943,020	1,088,970	1,054,783
7--Machinery and transport equipment	401,169	357,526	397,943	482,343	479,765
5--Chemicals & related products nspf	249,057	169,683	279,782	277,265	290,422
8--Miscellaneous manufactured articles	75,098	65,198	80,055	91,169	83,192
6--Manufactured goods by chief material	45,279	29,482	45,349	45,421	58,763
9--Comm & trans not classified elsewhere	18,994	25,683	36,612	50,601	48,469
2--Crude materials--inedible, except fue	44,431	29,210	44,462	60,482	41,741
3--Mineral fuels, lubricants, etc	53,442	33,983	43,152	68,420	39,659
0--Food and live animals	5,962	5,049	12,936	11,368	10,116
4--Oils and fats, animal & vegetable	1,245	845	1,127	1,208	1,724
1--Beverages and tobacco	1,154	819	1,603	694	931
Total of items shown	895,831	717,477	943,020	1,088,970	1,054,783

Note: Compiled from official statistics of the U.S. Department of Commerce.
Top 10 commodities sorted by Total exports, F.a.s. value in 1988.

Argentina: U.S. General imports, Customs value
(Thousands of dollars)

Schedule A commodity \ Time period	1984	1985	1986	1987	1988
Total all commodities	954,417	1,069,419	855,666	1,079,741	1,437,611
6--Manufactured goods by chief material	259,381	246,793	267,930	417,639	612,976
0--Food and live animals	339,710	312,230	262,375	344,295	325,288
8--Miscellaneous mfrd artcls, nspf	31,308	39,041	41,153	73,816	121,185
5--Chemicals and related products, nspf	80,587	98,200	78,566	85,092	96,603
3--Mineral fuels, lubrcnts, & reltd matr	163,351	286,914	130,022	64,604	88,731
4--Oils and fats, animal and vegetable	7,078	10,744	15,179	12,208	77,759
7--Machinery and transport equipment	21,484	26,178	25,544	31,563	54,365
2--Crude materials, inedible, except fuel	12,886	11,319	13,546	16,720	26,295
9--Articles not provided for elsewhere	27,012	23,619	9,684	25,064	21,818
1--Beverages and tobacco	11,618	14,380	11,668	8,739	12,591
Total of items shown	954,417	1,069,419	855,666	1,079,741	1,437,611

Note: Compiled from official statistics of the U.S. Department of Commerce.
Top 10 commodities sorted by General imports, Customs value in 1988.

TABLE 2

Bolivia: U.S. Total exports, F.a.s. value
(Thousands of dollars)

Schedule E commodity \ Time period	1984	1985	1986	1987	1988
Total all commodities	103,670	118,458	111,013	139,429	146,606
7--Machinery and transport equipment	54,488	63,162	56,898	62,537	64,233
0--Food and live animals	20,962	24,259	28,097	41,225	40,904
8--Miscellaneous manufactured articles	5,540	6,104	6,047	8,038	11,576
5--Chemicals & related products nspf	7,607	7,302	4,654	7,012	9,091
6--Manufactured goods by chief material	6,607	5,743	5,455	7,075	7,584
9--Comm & trans not classified elsewhere	3,073	4,139	4,122	7,380	4,583
3--Mineral fuels, lubricants, etc	1,075	3,484	2,013	363	3,230
4--Oils and fats, animal & vegetable	1,479	2,788	1,892	1,653	2,852
2--Crude materials--inedible, except fue	2,577	1,333	1,603	2,759	1,851
1--Beverages and tobacco	263	144	233	1,388	703
Total of items shown	103,670	118,458	111,013	139,429	146,606

Note: Compiled from official statistics of the U.S. Department of Commerce.
Top 10 commodities sorted by Total exports, F.a.s. value in 1988.

Bolivia:U.S. General imports, Customs value
(Thousands of dollars)

Schedule A commodity \ Time period	1984	1985	1986	1987	1988
Total all commodities	154,957	98,946	123,572	110,659	117,008
9--Articles not provided for elsewhere	44,448	51,842	65,829	71,787	49,082
6--Manufactured goods by chief material	71,494	22,837	29,999	14,389	31,014
2--Crude materials, inedible,except fuel	20,354	7,812	10,791	13,145	20,155
0--Food and live animals	6,635	12,027	7,629	7,203	12,142
8--Miscellaneous mfrd artcls, nspf	1,244	2,941	5,056	2,847	3,316
5--Chemicals and related products, nspf	1,985	1,438	1,317	989	1,060
7--Machinery and transport equipment	561	50	77	298	194
1--Beverages and tobacco	0	0	0	1	44
Total of items shown	146,721	98,946	120,698	110,659	117,008
Total other	8,236	0	2,873	0	0

Note: Compiled from official statistics of the U.S. Department of Commerce.
Top 10 commodities sorted by General imports, Customs value in 1988.

TABLE 3

Brazil: U.S. Total exports, F.a.s. value
(Thousands of dollars)

Schedule E commodity / Time period	1984	1985	1986	1987	1988
Total all commodities	2,630,392	3,127,979	3,856,403	3,994,026	4,247,224
7--Machinery and transport equipment	953,940	1,412,114	1,677,009	2,181,290	2,595,076
5--Chemicals & related products nspf	530,114	475,776	762,515	674,795	666,196
3--Mineral fuels, lubricants, etc	258,881	329,299	299,923	280,552	265,177
8--Miscellaneous manufactured articles	132,809	162,113	189,718	189,545	242,803
2--Crude materials--inedible, except fue	131,872	182,113	262,787	260,663	204,088
6--Manufactured goods by chief material	105,725	113,157	127,146	139,257	160,228
9--Comm & trans not classified elsewhere	32,371	42,682	74,034	92,754	83,993
0--Food and live animals	449,945	408,491	443,464	173,525	23,187
4--Oils and fats, animal & vegetable	34,059	1,584	18,457	356	4,942
1--Beverages and tobacco	675	650	1,350	1,288	1,532
Total of items shown	2,630,392	3,127,979	3,856,403	3,994,026	4,247,224

Note: Compiled from official statistics of the U.S. Department of Commerce.
Top 10 commodities sorted by Total exports, F.a.s. value in 1988.

Brazil:U.S. General imports, Customs value
(Thousands of dollars)

Schedule A commodity / Time period	1984	1985	1986	1987	1988
Total all commodities	7,620,958	7,526,189	6,812,862	7,865,423	9,323,755
7--Machinery and transport equipment	1,049,349	1,252,425	1,424,431	2,023,129	2,466,768
0--Food and live animals	2,289,528	2,137,534	1,791,446	1,910,056	1,980,300
6--Manufactured goods by chief material	1,462,688	1,334,423	1,281,696	1,330,168	1,785,964
8--Miscellaneous mfrd artcls, nspf	1,099,083	1,147,011	1,105,469	1,221,081	1,346,921
3--Mineral fuels, lubrcnts, & reltd matr	757,970	707,600	384,116	613,963	713,755
2--Crude materials, inedible,except fuel	238,840	225,744	239,082	311,831	383,945
5--Chemicals and related products, nspf	414,160	434,367	281,349	234,658	344,293
1--Beverages and tobacco	133,748	109,536	118,757	88,125	110,384
9--Articles not provided for elsewhere	132,390	127,037	158,664	91,466	100,840
4--Oils and fats, animal and vegetable	43,203	50,512	27,853	40,946	90,586
Total of items shown	7,620,958	7,526,189	6,812,862	7,865,423	9,323,755

Note: Compiled from official statistics of the U.S. Department of Commerce.
Top 10 commodities sorted by General imports, Customs value in 1988.

TABLE 4

CBI: U.S. Total exports, F.a.s. value
(Thousands of dollars)

Schedule E commodity / Time period	1984	1985	1986	1987	1988
Total all commodities	6,456,270	6,135,128	6,463,382	7,130,828	7,881,350
7--Machinery and transport equipment	1,610,628	1,405,849	1,663,871	1,700,624	1,875,478
6--Manufactured goods by chief material	972,416	888,421	965,604	1,088,499	1,247,617
8--Miscellaneous manufactured articles	731,869	714,637	842,587	1,002,295	1,178,695
0--Food and live animals	881,039	833,325	859,638	932,575	1,056,163
5--Chemicals & related products nspf	834,211	773,485	773,042	790,558	948,213
9--Comm & trans not classified elsewhere	294,003	388,154	401,579	534,311	541,653
3--Mineral fuels, lubricants, etc	619,701	679,070	520,596	619,327	487,936
2--Crude materials--inedible, except fue	189,138	157,154	181,405	224,045	267,843
1--Beverages and tobacco	118,015	122,277	137,200	121,568	175,932
4--Oils and fats, animal & vegetable	205,249	172,757	117,860	117,025	101,819
Total of items shown	6,456,270	6,135,128	6,463,382	7,130,828	7,881,350

Note: Compiled from official statistics of the U.S. Department of Commerce.
Top 10 commodities sorted by Total exports, F.a.s. value in 1988.

CBI: U.S. General imports, Customs value
(Thousands of dollars)

Schedule A commodity / Time period	1984	1985	1986	1987	1988
Total all commodities	8,973,820	6,935,111	6,256,522	6,324,016	6,337,807
8--Miscellaneous mfrd artcls, nspf	653,970	833,781	1,043,471	1,407,384	1,780,110
0--Food and live animals	2,148,552	2,075,286	2,425,669	2,020,368	1,749,959
3--Mineral fuels, lubrcnts, & reltd matr	4,281,779	2,438,119	1,414,886	1,470,765	1,097,739
5--Chemicals and related products, nspf	233,707	257,018	274,680	265,988	404,165
2--Crude materials, inedible,except fuel	499,603	273,862	232,214	283,255	345,983
6--Manufactured goods by chief material	231,862	282,701	251,328	280,451	342,429
7--Machinery and transport equipment	485,697	401,686	284,701	249,774	269,736
9--Articles not provided for elsewhere	321,420	274,596	247,138	268,115	259,593
1--Beverages and tobacco	107,289	93,594	81,551	76,030	85,150
4--Oils and fats, animal and vegetable	9,941	4,469	885	1,885	2,944
Total of items shown	8,973,820	6,935,111	6,256,522	6,324,016	6,337,807

Note: Compiled from official statistics of the U.S. Department of Commerce.
Top 10 commodities sorted by General imports, Customs value in 1988.

TABLE 5

Chile: U.S. Total exports, F.a.s. value
(Thousands of dollars)

Schedule E commodity / Time period	1984	1985	1986	1987	1988
Total all commodities	805,257	682,013	823,295	796,155	1,064,913
7--Machinery and transport equipment	285,962	279,432	415,849	358,057	513,902
5--Chemicals & related products nspf	157,165	140,842	158,865	182,540	234,865
6--Manufactured goods by chief material	57,177	50,045	57,884	73,508	81,720
8--Miscellaneous manufactured articles	54,410	51,253	61,341	56,407	72,658
0--Food and live animals	145,694	88,658	40,538	30,891	47,206
9--Comm & trans not classified elsewhere	14,585	18,643	30,104	34,340	45,058
2--Crude materials--inedible, except fue	28,094	21,463	32,229	36,027	36,122
3--Mineral fuels, lubricants, etc	51,632	26,035	20,714	16,625	24,950
1--Beverages and tobacco	4,345	2,215	3,685	6,142	6,953
4--Oils and fats, animal & vegetable	6,191	3,427	2,087	1,618	1,480
Total of items shown	805,257	682,013	823,295	796,155	1,064,913

Note: Compiled from official statistics of the U.S. Department of Commerce.
Top 10 commodities sorted by Total exports, F.a.s. value in 1988.

Chile: U.S. General imports, Customs value
(Thousands of dollars)

Schedule A commodity / Time period	1984	1985	1986	1987	1988
Total all commodities	781,140	745,339	820,293	980,976	1,162,336
6--Manufactured goods by chief material	317,906	266,894	292,529	297,979	423,112
0--Food and live animals	200,324	272,889	296,367	378,532	408,543
9--Articles not provided for elsewhere	102,441	89,016	105,953	134,957	119,287
2--Crude materials, inedible,except fuel	124,856	80,334	83,089	104,903	96,380
8--Miscellaneous mfrd artcls, nspf	4,806	4,346	10,348	23,600	50,050
5--Chemicals and related products, nspf.	21,628	18,062	20,318	26,444	41,049
1--Beverages and tobacco	7,437	9,752	6,805	10,151	10,433
3--Mineral fuels, lubrcnts, & reltd matr	9	320	5	0	7,669
7--Machinery and transport equipment	1,359	3,398	4,756	3,960	5,391
4--Oils and fats, animal and vegetable	374	328	123	449	421
Total of items shown	781,140	745,339	820,293	980,976	1,162,336

Note: Compiled from official statistics of the U.S. Department of Commerce.
Top 10 commodities sorted by General imports, Customs value in 1988.

TABLE 6

Colombia: U.S. Total exports, F.a.s. value
(Thousands of dollars)

Schedule E commodity / Time period	1984	1985	1986	1987	1988
Total all commodities	1,405,979	1,451,060	1,307,747	1,409,710	1,756,690
7--Machinery and transport equipment	556,232	530,007	578,430	578,474	688,081
5--Chemicals & related products nspf	314,085	323,976	293,966	376,929	482,497
6--Manufactured goods by chief material	122,478	115,003	95,586	104,131	141,321
8--Miscellaneous manufactured articles	99,250	86,658	114,298	109,260	124,986
2--Crude materials--inedible, except fue	76,763	74,762	49,961	96,694	118,054
0--Food and live animals	124,767	145,881	77,662	57,908	88,522
9--Comm & trans not classified elsewhere	33,322	40,247	34,028	50,135	60,042
4--Oils and fats, animal & vegetable	53,560	33,548	24,183	22,572	32,782
3--Mineral fuels, lubricants, etc	17,091	98,137	36,351	10,631	18,052
1--Beverages and tobacco	8,431	2,840	3,282	2,976	2,354
Total of items shown	1,405,979	1,451,060	1,307,747	1,409,710	1,756,690

Note: Compiled from official statistics of the U.S. Department of Commerce.
Top 10 commodities sorted by Total exports, F.a.s. value in 1988.

Colombia: U.S. General imports, Customs value
(Thousands of dollars)

Schedule A commodity / Time period	1984	1985	1986	1987	1988
Total all commodities	1,146,058	1,330,718	1,874,195	2,232,361	2,167,158
3--Mineral fuels, lubrcnts, & reltd matr	124,933	258,102	515,750	1,108,373	867,324
0--Food and live animals	604,648	656,399	873,707	637,556	667,525
6--Manufactured goods by chief material	127,194	136,625	159,932	157,011	190,131
2--Crude materials, inedible,except fuel	142,131	142,114	142,884	147,091	179,851
8--Miscellaneous mfrd artcls, nspf	68,617	67,795	81,705	101,848	153,241
9--Articles not provided for elsewhere	46,346	31,773	58,202	43,738	71,449
5--Chemicals and related products, nspf	22,264	27,819	27,323	22,834	21,759
7--Machinery and transport equipment	3,817	4,711	9,668	8,483	10,877
1--Beverages and tobacco	6,092	5,377	5,000	5,263	4,854
4--Oils and fats, animal and vegetable	17	4	26	164	147
Total of items shown	1,146,058	1,330,718	1,874,195	2,232,361	2,167,158

Note: Compiled from official statistics of the U.S. Department of Commerce.
Top 10 commodities sorted by General imports, Customs value in 1988.

TABLE 7

Ecuador: U.S. Total exports, F.a.s. value
(Thousands of dollars)

Schedule E commodity \ Time period	1984	1985	1986	1987	1988
Total all commodities	653,403	589,628	594,922	615,437	680,242
7--Machinery and transport equipment	207,754	219,558	253,728	269,512	281,910
5--Chemicals & related products nspf	104,599	118,536	124,143	114,124	127,191
6--Manufactured goods by chief material	72,010	63,241	68,837	79,847	85,281
0--Food and live animals	82,599	60,317	56,877	55,937	68,838
8--Miscellaneous manufactured articles	23,775	29,470	37,315	30,891	34,821
2--Crude materials--inedible, except fue	36,408	26,105	17,007	20,283	29,202
4--Oils and fats, animal & vegetable	43,362	28,767	9,862	13,397	21,831
9--Comm & trans not classified elsewhere	12,437	13,836	13,922	17,697	20,282
3--Mineral fuels, lubricants, etc	69,158	29,105	12,774	13,316	9,742
1--Beverages and tobacco	1,300	693	456	433	1,145
Total of items shown	653,403	589,628	594,922	615,437	680,242

Note: Compiled from official statistics of the U.S. Department of Commerce.
Top 10 commodities sorted by Total exports, F.a.s. value in 1988.

Ecuador: U.S. General imports, Customs value
(Thousands of dollars)

Schedule A commodity \ Time period	1984	1985	1986	1987	1988
Total all commodities	1,695,089	1,836,736	1,464,462	1,265,767	1,231,279
0--Food and live animals	608,057	723,319	859,067	851,719	798,688
3--Mineral fuels, lubrcnts, & reltd matr	1,058,683	1,082,972	570,224	368,423	379,971
2--Crude materials, inedible,except fuel	11,931	12,374	13,936	17,728	21,660
6--Manufactured goods by chief material	5,530	5,616	5,198	9,219	11,443
9--Articles not provided for elsewhere	6,273	7,167	8,430	11,462	11,073
8--Miscellaneous mfrd artcls, nspf	2,428	1,595	2,724	4,117	5,596
1--Beverages and tobacco	674	1,552	1,172	1,060	1,154
5--Chemicals and related products, nspf	328	761	449	898	1,019
4--Oils and fats, animal and vegetable	890	262	1,042	930	358
7--Machinery and transport equipment	295	1,119	2,220	211	317
Total of items shown	1,695,089	1,836,736	1,464,462	1,265,767	1,231,279

Note: Compiled from official statistics of the U.S. Department of Commerce.
Top 10 commodities sorted by General imports, Customs value in 1988.

TABLE 8

Mexico: U.S. Total exports, F.a.s. value
(Thousands of dollars)

Schedule E commodity \ Time period	1984	1985	1986	1987	1988
Total all commodities	11,978,359	13,627,681	12,379,267	14,569,554	20,633,263
7--Machinery and transport equipment	5,528,317	6,640,946	6,428,052	7,333,203	10,089,075
6--Manufactured goods by chief material	1,136,515	1,300,046	1,227,971	1,541,672	2,262,185
8--Miscellaneous manufactured articles	867,894	1,012,627	1,064,230	1,337,181	1,983,279
5--Chemicals & related products nspf	1,265,724	1,431,515	1,295,992	1,450,862	1,833,657
0--Food and live animals	1,003,614	919,021	597,686	670,137	1,517,245
2--Crude materials--inedible, except fue	1,347,922	1,173,536	828,526	1,049,957	1,464,790
9--Comm & trans not classified elsewhere	270,064	453,617	395,521	569,361	860,505
3--Mineral fuels, lubricants, etc	381,352	571,727	393,556	510,256	458,034
4--Oils and fats, animal & vegetable	167,983	109,972	136,108	95,363	142,023
1--Beverages and tobacco	8,973	14,674	11,625	11,563	22,469
Total of items shown	11,978,359	13,627,681	12,379,267	14,569,554	20,633,263

Note: Compiled from official statistics of the U.S. Department of Commerce.
Top 10 commodities sorted by Total exports, F.a.s. value in 1988.

Mexico: U.S. General imports, Customs value
(Thousands of dollars)

Schedule A commodity \ Time period	1984	1985	1986	1987	1988
Total all commodities	18,020,017	19,131,835	17,301,723	20,270,785	23,276,890
7--Machinery and transport equipment	4,666,585	5,554,503	6,566,833	8,727,248	10,928,273
3--Mineral fuels, lubrcnts, & reltd matr	7,898,835	7,869,118	3,737,655	3,856,901	3,314,478
6--Manufactured goods by chief material	1,441,944	1,238,199	1,584,143	2,006,895	2,466,126
8--Miscellaneous mfrd artcls, nspf	987,380	1,196,619	1,349,397	1,776,571	2,279,395
0--Food and live animals	1,555,795	1,585,392	2,202,348	2,072,492	1,927,264
9--Articles not provided for elsewhere	495,506	558,139	605,510	772,773	995,187
5--Chemicals and related products, nspf	606,195	569,263	461,360	507,055	724,466
2--Crude materials, inedible,except fuel	259,998	404,496	607,313	276,165	368,846
1--Beverages and tobacco	104,990	154,212	185,573	270,981	264,525
4--Oils and fats, animal and vegetable	2,788	1,894	1,591	3,705	8,330
Total of items shown	18,020,017	19,131,835	17,301,723	20,270,785	23,276,890

Note: Compiled from official statistics of the U.S. Department of Commerce.
Top 10 commodities sorted by General imports, Customs value in 1988.

TABLE 9

Paraguay: U.S. Total exports, F.a.s. value
(Thousands of dollars)

Schedule E commodity \ Time period	1984	1985	1986	1987	1988
Total all commodities	63,631	98,891	170,833	183,127	193,693
7--Machinery and transport equipment	30,508	58,118	116,915	107,611	106,706
8--Miscellaneous manufactured articles	13,641	15,104	23,887	31,783	36,190
1--Beverages and tobacco	6,371	6,687	8,549	14,396	18,241
6--Manufactured goods by chief material	4,148	7,526	10,217	15,029	13,735
9--Comm & trans not classified elsewhere	3,133	3,827	4,150	6,266	7,468
5--Chemicals & related products nspf	3,831	5,078	5,228	5,407	6,685
0--Food and live animals	902	1,284	904	1,470	2,857
3--Mineral fuels, lubricants, etc	190	199	248	281	906
2--Crude materials--inedible, except fue	780	950	634	825	866
4--Oils and fats, animal & vegetable	127	118	102	58	39
Total of items shown	63,631	98,891	170,833	183,127	193,693

Note: Compiled from official statistics of the U.S. Department of Commerce.
Top 10 commodities sorted by Total exports, F.a.s. value in 1988.

Paraguay: U.S. General imports, Customs value
(Thousands of dollars)

Schedule A commodity \ Time period	1984	1985	1986	1987	1988
Total all commodities	40,927	23,565	29,734	22,014	36,536
0--Food and live animals	19,739	12,911	21,905	9,137	12,831
6--Manufactured goods by chief material	10,141	4,440	3,706	6,473	11,348
8--Miscellaneous mfrd artcls, nspf	657	788	601	2,696	7,277
4--Oils and fats, animal and vegetable	4,427	1,401	278	731	1,478
5--Chemicals and related products, nspf	2,053	1,340	1,129	983	1,171
2--Crude materials, inedible,except fuel	1,418	579	700	1,163	1,035
9--Articles not provided for elsewhere	1,749	778	1,016	146	735
1--Beverages and tobacco	743	1,317	331	488	522
7--Machinery and transport equipment	0	13	68	196	138
Total of items shown	40,927	23,565	29,734	22,014	36,536

Note: Compiled from official statistics of the U.S. Department of Commerce.
Top 10 commodities sorted by General imports, Customs value in 1988.

TABLE 10

Peru: U.S. Total exports, F.a.s. value
(Thousands of dollars)

Schedule E commodity \ Time period	1984	1985	1986	1987	1988
Total all commodities	748,286	492,322	691,677	810,007	793,147
7--Machinery and transport equipment	283,850	220,895	257,770	265,486	234,602
5--Chemicals & related products nspf	130,745	97,721	152,024	176,727	170,237
0--Food and live animals	157,214	63,389	120,905	118,886	148,223
3--Mineral fuels, lubricants, etc	38,995	13,940	24,055	58,656	82,720
9--Comm & trans not classified elsewhere	19,680	17,254	34,942	63,175	58,687
6--Manufactured goods by chief material	36,130	26,208	38,509	47,999	34,067
8--Miscellaneous manufactured articles	37,150	22,852	28,386	41,157	30,034
2--Crude materials--inedible, except fue	27,695	18,829	31,049	34,826	28,334
4--Oils and fats, animal & vegetable	16,061	10,732	3,836	1,488	4,265
1--Beverages and tobacco	766	502	202	1,608	1,979
Total of items shown	748,286	492,322	691,677	810,007	793,147

Note: Compiled from official statistics of the U.S. Department of Commerce.
Top 10 commodities sorted by Total exports, F.a.s. value in 1988.

Peru: U.S. General imports, Customs value
(Thousands of dollars)

Schedule A commodity \ Time period	1984	1985	1986	1987	1988
Total all commodities	1,342,047	1,086,650	802,828	768,541	656,118
0--Food and live animals	210,175	206,317	227,127	141,764	150,009
3--Mineral fuels, lubrcnts, & reltd matr	522,848	483,622	195,034	235,039	148,294
6--Manufactured goods by chief material	383,749	208,112	210,756	175,879	133,267
8--Miscellaneous mfrd artcls, nspf	46,057	57,195	66,980	94,668	103,856
2--Crude materials, inedible,except fuel	124,809	84,110	62,371	98,442	76,746
9--Articles not provided for elsewhere	41,194	26,924	25,924	8,332	18,465
7--Machinery and transport equipment	3,086	10,425	9,521	7,945	15,480
5--Chemicals and related products, nspf	9,690	9,006	4,731	6,210	9,612
1--Beverages and tobacco	440	726	329	250	389
Total of items shown	1,342,047	1,086,438	802,774	768,531	656,118
Total other	0	213	54	10	0

Note: Compiled from official statistics of the U.S. Department of Commerce.
Top 10 commodities sorted by General imports, Customs value in 1988.

TABLE 11

Uruguay: U.S. Total exports, F.a.s. value
(Thousands of dollars)

Schedule E commodity \ Time period	1984	1985	1986	1987	1988
Total all commodities	79,761	63,888	98,903	91,571	99,357
7--Machinery and transport equipment	22,241	14,945	23,518	31,671	38,981
5--Chemicals & related products nspf	23,439	18,209	21,398	25,480	27,262
8--Miscellaneous manufactured articles	11,725	7,468	11,485	12,760	11,099
6--Manufactured goods by chief material	4,960	14,385	21,461	5,227	5,789
9--Comm & trans not classified elsewhere	4,336	3,010	4,365	7,006	5,371
2--Crude materials--inedible, except fue	5,042	2,725	6,044	5,319	3,972
3--Mineral fuels, lubricants, etc	1,170	682	1,973	1,445	3,583
1--Beverages and tobacco	898	810	1,324	1,424	2,309
0--Food and live animals	5,795	1,426	6,984	1,116	789
4--Oils and fats, animal & vegetable	154	228	351	124	202
Total of items shown	79,761	63,888	98,903	91,571	99,357

Note: Compiled from official statistics of the U.S. Department of Commerce.
Top 10 commodities sorted by Total exports, F.a.s. value in 1988.

Uruguay: U.S. General imports, Customs value
(Thousands of dollars)

Schedule A commodity \ Time period	1984	1985	1986	1987	1988
Total all commodities	562,525	556,612	472,388	343,788	274,704
9--Articles not provided for elsewhere	400,488	409,426	329,051	142,266	104,160
8--Miscellaneous mfrd artcls, nspf	88,941	90,680	79,487	106,432	91,011
6--Manufactured goods by chief material	31,509	21,720	19,296	30,138	36,930
0--Food and live animals	25,502	24,690	34,264	49,866	28,868
2--Crude materials, inedible,except fuel	11,032	7,080	7,191	13,250	11,142
7--Machinery and transport equipment	50	511	1,837	801	1,276
5--Chemicals and related products, nspf	1,454	2,480	1,250	835	963
1--Beverages and tobacco	3	25	12	0	356
Total of items shown	558,979	556,612	472,388	343,588	274,704
Total other	3,546	0	0	200	0

Note: Compiled from official statistics of the U.S. Department of Commerce.
Top 10 commodities sorted by General imports, Customs value in 1988.

TABLE 12

Venezuela: U.S. Total exports, F.a.s. value
(Thousands of dollars)

Schedule E commodity \ Time period	1984	1985	1986	1987	1988
Total all commodities	3,366,093	3,159,073	3,136,697	3,559,586	4,573,024
7--Machinery and transport equipment	1,311,658	1,450,411	1,580,096	1,684,529	2,223,118
5--Chemicals & related products nspf	543,766	427,269	462,836	641,110	742,912
0--Food and live animals	566,288	491,915	341,773	360,371	534,013
6--Manufactured goods by chief material	285,851	241,404	226,658	262,976	314,471
2--Crude materials--inedible, except fue	197,391	181,984	174,122	233,537	276,554
8--Miscellaneous manufactured articles	188,695	173,319	184,995	164,447	219,927
3--Mineral fuels, lubricants, etc	67,165	60,442	65,895	93,332	126,879
9--Comm & trans not classified elsewhere	36,142	39,650	40,646	55,856	78,978
4--Oils and fats, animal & vegetable	165,989	90,426	57,999	62,417	52,449
1--Beverages and tobacco	3,147	2,252	1,676	1,011	3,722
Total of items shown	3,366,093	3,159,073	3,136,697	3,559,586	4,573,024

Note: Compiled from official statistics of the U.S. Department of Commerce.
Top 10 commodities sorted by Total exports, F.a.s. value in 1988.

Venezuela: U.S. General imports, Customs value
(Thousands of dollars)

Schedule A commodity \ Time period	1984	1985	1986	1987	1988
Total all commodities	6,542,811	6,536,991	5,096,738	5,578,979	5,228,094
3--Mineral fuels, lubrcnts, & reltd matr	5,903,996	6,010,909	4,410,463	5,021,100	4,536,393
6--Manufactured goods by chief material	297,212	249,960	306,564	271,286	349,075
2--Crude materials, inedible,except fuel	72,106	69,042	75,441	89,697	133,191
0--Food and live animals	67,496	98,530	141,688	74,233	65,091
5--Chemicals and related products, nspf	31,699	19,769	33,012	27,554	47,733
7--Machinery and transport equipment	14,463	15,192	22,882	24,955	37,478
8--Miscellaneous mfrd artcls, nspf	12,604	23,819	30,770	23,460	31,177
9--Articles not provided for elsewhere	142,522	49,421	75,136	44,427	25,829
1--Beverages and tobacco	461	336	499	1,683	1,558
4--Oils and fats, animal and vegetable	253	12	283	586	570
Total of items shown	6,542,811	6,536,991	5,096,738	5,578,979	5,228,094

Note: Compiled from official statistics of the U.S. Department of Commerce.
Top 10 commodities sorted by General imports, Customs value in 1988.

TABLE 13

total South America: U.S. Total exports, F.a.s. value
(Thousands of dollars)

Schedule E commodity \ Time period	1984	1985	1986	1987	1988
Total all commodities	10,752,302	10,500,790	11,734,511	12,688,018	14,609,679
7--Machinery and transport equipment	4,107,802	4,606,169	5,358,157	6,021,509	7,226,374
5--Chemicals & related products nspf	2,064,409	1,784,391	2,265,412	2,481,389	2,757,359
0--Food and live animals	1,560,128	1,290,670	1,130,138	852,696	964,654
6--Manufactured goods by chief material	740,365	666,195	697,101	780,471	902,959
8--Miscellaneous manufactured articles	642,094	619,539	737,527	735,456	867,285
2--Crude materials--inedible, except fue	551,053	539,473	619,897	751,415	740,784
3--Mineral fuels, lubricants, etc	558,800	595,306	507,097	543,621	574,897
9--Comm & trans not classified elsewhere	178,074	208,972	276,926	385,209	412,931
4--Oils and fats, animal & vegetable	322,227	172,463	119,896	104,892	122,565
1--Beverages and tobacco	27,351	17,613	22,360	31,361	39,870
Total of items shown	10,752,302	10,500,790	11,734,511	12,688,018	14,609,679

Note: Compiled from official statistics of the U.S. Department of Commerce.
Top 10 commodities sorted by Total exports, F.a.s. value in 1988.

total South America: U.S. General imports, Customs value
(Thousands of dollars)

Schedule A commodity \ Time period	1984	1985	1986	1987	1988
Total all commodities	20,840,930	20,811,166	18,352,739	20,248,250	21,634,599
3--Mineral fuels, lubrcnts, & reltd matr	8,543,571	8,830,440	6,208,487	7,411,662	6,742,137
0--Food and live animals	4,371,814	4,456,844	4,515,575	4,404,360	4,449,286
6--Manufactured goods by chief material	2,966,804	2,497,419	2,577,605	2,710,180	3,585,260
7--Machinery and transport equipment	1,094,463	1,314,021	1,501,004	2,101,542	2,592,284
8--Miscellaneous mfrd artcls, nspf	1,355,745	1,435,211	1,424,293	1,654,566	1,913,629
2--Crude materials, inedible,except fuel	760,362	640,508	649,033	813,972	950,401
5--Chemicals and related products, nspf	585,849	613,241	449,444	406,497	565,263
9--Articles not provided for elsewhere	944,863	817,004	837,888	573,645	522,737
4--Oils and fats, animal and vegetable	56,241	63,475	44,837	56,066	171,319
1--Beverages and tobacco	161,217	143,002	144,573	115,759	142,283
Total of items shown	20,840,930	20,811,166	18,352,739	20,248,250	21,634,599

Note: Compiled from official statistics of the U.S. Department of Commerce.
Top 10 commodities sorted by General imports, Customs value in 1988.

TABLE 14

TOTAL LATIN AMERICA: U.S. Total exports, F.a.s. value
(Thousands of dollars)

Schedule E commodity / Time period	1984	1985	1986	1987	1988
Total all commodities	29,186,931	30,263,599	30,577,160	34,388,400	43,124,291
7--Machinery and transport equipment	11,246,747	12,652,963	13,450,080	15,055,336	19,190,927
5--Chemicals & related products nspf	4,164,344	3,989,391	4,334,447	4,722,809	5,539,229
6--Manufactured goods by chief material	2,849,296	2,854,662	2,890,676	3,410,642	4,412,762
8--Miscellaneous manufactured articles	2,241,858	2,346,802	2,644,345	3,074,932	4,029,258
0--Food and live animals	3,444,781	3,043,016	2,587,462	2,455,407	3,538,063
2--Crude materials--inedible, except fue	2,088,113	1,870,163	1,629,827	2,025,417	2,473,418
9--Comm & trans not classified elsewhere	742,141	1,050,743	1,074,025	1,488,881	1,815,090
3--Mineral fuels, lubricants, etc	1,559,853	1,846,102	1,421,250	1,673,204	1,520,867
4--Oils and fats, animal & vegetable	695,459	455,192	373,864	317,280	366,407
1--Beverages and tobacco	154,339	154,564	171,185	164,492	238,271
Total of items shown	29,186,931	30,263,599	30,577,160	34,388,400	43,124,291

Note: Compiled from official statistics of the U.S. Department of Commerce.
Top 10 commodities sorted by Total exports, F.a.s. value in 1988.

TOTAL LATIN AMERICA:U.S. General imports, Customs value
(Thousands of dollars)

Schedule A commodity / Time period	1984	1985	1986	1987	1988
Total all commodities	47,834,766	46,878,113	41,910,984	46,843,051	51,249,296
7--Machinery and transport equipment	6,246,745	7,270,210	8,352,537	11,078,564	13,790,293
3--Mineral fuels, lubrcnts, & reltd matr	20,724,186	19,137,677	11,361,028	12,739,328	11,154,353
0--Food and live animals	8,076,162	8,117,523	9,143,591	8,497,221	8,126,509
6--Manufactured goods by chief material	4,640,611	4,018,319	4,413,076	4,997,526	6,393,815
8--Miscellaneous mfrd artcls, nspf	2,997,095	3,465,611	3,817,161	4,838,521	5,973,133
9--Articles not provided for elsewhere	1,761,789	1,649,738	1,690,537	1,614,532	1,777,517
5--Chemicals and related products, nspf	1,425,750	1,439,522	1,185,483	1,179,539	1,693,894
2--Crude materials, inedible,except fuel	1,519,964	1,318,866	1,488,560	1,373,392	1,665,230
1--Beverages and tobacco	373,495	390,808	411,698	462,771	491,958
4--Oils and fats, animal and vegetable	68,970	69,838	47,313	61,656	182,594
Total of items shown	47,834,766	46,878,113	41,910,984	46,843,051	51,249,296

Note: Compiled from official statistics of the U.S. Department of Commerce.
Top 10 commodities sorted by General imports, Customs value in 1988.

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